

INSPIRING ENGINEERING

2015 IEEE ANNUAL REPORT



IEEE

*Advancing Technology
for Humanity*

From rural communities in India and Africa, to major cities in Asia, Europe, and the United States, IEEE members inspire engineering solutions that make the world a better place.

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MESSAGE FROM THE IEEE PRESIDENT AND THE EXECUTIVE DIRECTOR

2015 IEEE President Howard Michel at the World Internet Conference in China

2015 was a year of advances, both for IEEE as an organization, and for our global community of technical professionals. It was a year hallmarked by the expansion of IEEE's existing relationships with the international business and governmental communities, as well as the broadening of IEEE's influence, impact, and reach in countries and regions around the world as diverse as Africa, China, India, and the European Union.

We began the year with a commitment to shaping the IEEE of the future – and demonstrated this by focusing the Board on a vision for IEEE in 2030 and examining ways in which IEEE can evolve today in order to best meet the needs of technical professionals in the years ahead. Many of the advances made this year were

driven by this enhanced focus on our long-term future including Board approval of proposed revisions to the IEEE Constitution aimed at creating a nimble, flexible, forward-looking organization.

During the year, IEEE made substantial updates to its policy around patents required to implement IEEE standards. After rigorous debate, the Board concluded that these updates give companies greater assurance that they can fairly license patents that can potentially be essential to the implementation of IEEE standards. These advancements received global, in-depth attention by governments, standards development organizations, corporations, and the media.

Targeted industry engagement efforts in 2015 also served to enhance IEEE's global footprint with particular emphasis on technology leaders in Germany, China, Japan, and the United States. We continued the expansion of our office in Bangalore, India, particularly in the areas of IT and finance. We ended 2015 by approving an international presence in Vienna, Austria, and Shenzhen, China.

Other noteworthy work accomplished during 2015 includes:

- The launch of IEEE Collabratec™, a new collaboration space and suite of productivity tools that enable our global community to better collaborate, innovate, and move the leading edge of technology forward.
- The debut of the N3XT™ Summit, a one-day global event convening the technical entrepreneur community.
- The development and growth of the IEEE Women in Engineering's International Leadership Conference, which is rapidly becoming one of the flagship events for women in technology.
- A global expansion of IEEE's Internet Governance Initiative through efforts in the European Union, India, and China, culminating in IEEE's key role in China's World Internet Conference in December 2015.
- The expansion of public policy work within the European Union, which included policy-focused summits throughout the year on topics of significance to Europe's technology and governance communities.
- The finalization and implementation of agreements between the IEEE Standards Association and the Bureau of Industry Standards in India; the Pakistan Engineering Council; and the Zambia Bureau of Standards, among other standards development organizations.

- The continued growth of IEEE's technical communities and Future Directions initiatives, particularly in the areas of Smart Cities, Smart Grid, and the Internet of Things.

In addition to all of these achievements—and among many more—IEEE expanded its roster of world-class journals and Open Access offerings, created the IEEE Technology and Management Society, and added content from the Society of Motion Picture and Television Engineers to the nearly four million documents available through the IEEE Xplore® digital library.

Efforts to advance IEEE and raise awareness of the engineering profession were undertaken by many individuals and groups within our global community. Our success in 2015 was made possible through the vision, dedication, and hard work of our members, our volunteers, and our professional staff. We thank you for your outstanding support and look forward to taking IEEE to even greater heights in the years to come.

Sincerely,



Howard E. Michel
Howard E. Michel
2015 IEEE President
and CEO



E. James Prendergast
E. James Prendergast
IEEE Executive Director
and COO



INSPIRING ENGINEERING

Sydney, Australia

Engineers and technologists are, fundamentally, problem solvers. Presented with a challenge, they work to solve it by reimagining and repurposing existing technologies or by creating entirely new solutions. At IEEE, the world's largest technical professional organization dedicated to advancing technology for the benefit of humanity, it's our job to empower this "can do" spirit, which engineers and technologists carry in their DNA.

Essential to accomplishing this goal is the recognition that, at its heart, technology is not about hardware and software—it's about people. People create new

technologies from which others, in turn, benefit. IEEE members know this and dedicate themselves to creating technologies that make the world a safer, healthier, and more prosperous place for everyone.

At IEEE we are inspired by these innovators and strive to inspire the next generation of innovators through our efforts on behalf of the engineering, computing, and technology professions. In support of IEEE's mission, we work to ensure that today's technology professionals have the information they need to continue their pursuit of innovation as they develop technologies that benefit people everywhere.

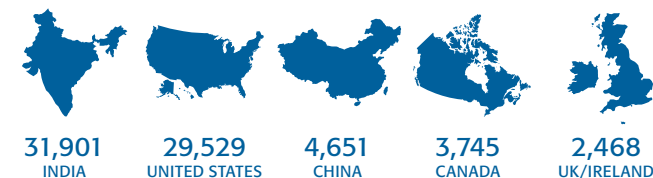

421,000+
MEMBERSHIPS

TOP 5 COUNTRIES FOR MEMBERSHIP

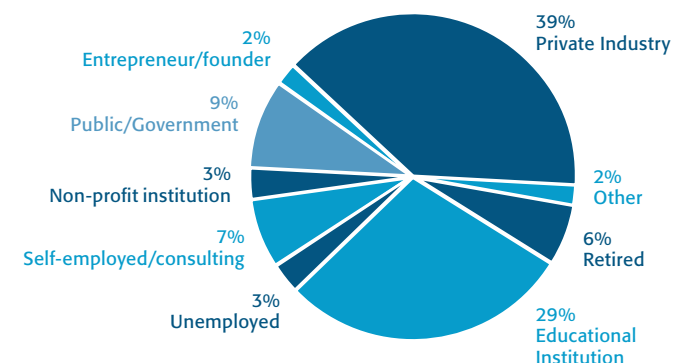



114,450
STUDENT MEMBERS

TOP 5 COUNTRIES FOR STUDENT MEMBERSHIP



MEMBER WORKFORCE



From the Member Segmentation Survey, October 2015

IEEE Society Memberships

4,906	IEEE Aerospace and Electronic Systems Society
8,952	IEEE Antennas and Propagation Society
1,742	IEEE Broadcast Technology Society
10,296	IEEE Circuits and Systems Society
32,201	IEEE Communications Society
2,547	IEEE Components, Packaging, and Manufacturing Technology Society
7,850	IEEE Computational Intelligence Society
56,056	IEEE Computer Society
3,328	IEEE Consumer Electronics Society
9,364	IEEE Control Systems Society
2,179	IEEE Dielectrics and Electrical Insulation Society
3,541	IEEE Education Society
4,040	IEEE Electromagnetic Compatibility Society
10,254	IEEE Electron Devices Society
11,943	IEEE Engineering in Medicine and Biology Society
3,764	IEEE Geoscience and Remote Sensing Society
6,726	IEEE Industrial Electronics Society
13,396	IEEE Industry Applications Society
3,446	IEEE Information Theory Society
4,155	IEEE Instrumentation and Measurement Society
1,599	IEEE Intelligent Transportation Systems Society
3,255	IEEE Magnetics Society
11,413	IEEE Microwave Theory and Techniques Society
3,032	IEEE Nuclear and Plasma Sciences Society
1,895	IEEE Oceanic Engineering Society
6,217	IEEE Photonics Society
35,406	IEEE Power & Energy Society
8,424	IEEE Power Electronics Society
848	IEEE Product Safety Engineering Society
790	IEEE Professional Communication Society
1,894	IEEE Reliability Society
13,648	IEEE Robotics and Automation Society
19,683	IEEE Signal Processing Society
1,514	IEEE Society on Social Implications of Technology
10,083	IEEE Solid-State Circuits Society
4,744	IEEE Systems, Man, and Cybernetics Society
3,080	IEEE Technology and Engineering Management Society
2,315	IEEE Ultrasonics, Ferroelectrics, and Frequency Control Society
4,403	IEEE Vehicular Technology Society

334,929 Total Society Memberships

*49 percent of IEEE members belonged to one or more societies in 2015.

GROWING GLOBAL AND INDUSTRY PARTNERSHIPS

Shenzhen, China

As the world's largest technical professional organization dedicated to advancing technology for the benefit of humanity, IEEE is always seeking ways to expand its reach and relevance in the technical community. In 2015, a coordinated effort was made to develop better ways for IEEE to meet the demands of established industry leaders, as well as the burgeoning entrepreneur community, to ensure that IEEE continues to address emerging industry needs.

Board of Directors Reaches Out to World Industry

Industry engagement is a vital part of the advancement of the IEEE mission. To expand its relationship with technology industry leaders, in 2015 delegations from the IEEE Board of Directors made visits to industry centers in four global regions: Munich, Germany; Shenzhen, China; Tokyo/Osaka, Japan; and Silicon Valley, USA. The IEEE delegations met with over 150 industry leaders from more than 50 companies to collect feedback on key issues relating to the future vitality of the local engineering and technical workforce. This helped IEEE gain a better understanding of how IEEE can contribute to supporting and engaging with industry professionals. Participants included leading companies across all of IEEE's technical disciplines. Among the many topics covered were training opportunities, corporate membership models, and potential new IEEE products and services.

IEEE also created two new ad hoc committees in January 2015 to extend industry outreach around the world. The IEEE Ad Hoc Committee on Board Outreach was appointed to lead these board-level industry engagement and outreach efforts. The IEEE Ad Hoc Committee on Engagement in Europe was tasked to work to expand IEEE's engagement with, and support of, the European engineering community, which includes nearly 60,000 IEEE members.

IEEE Enhances Engagement with Entrepreneurs

Record numbers of young people are starting businesses and IEEE made a concerted effort to reach out to these entrepreneurs in 2015 to inform them of the advantages of IEEE membership. To help coordinate this effort, the IEEE Board of Directors appointed an Ad Hoc Committee on Entrepreneurship and tasked it with a number of goals. These included the creation of a web portal to IEEE services and programs that are relevant to the startup community, development of a global networking event for entrepreneurs, investors and others, and the launch of new events targeted at the global entrepreneurship community and tech startups.

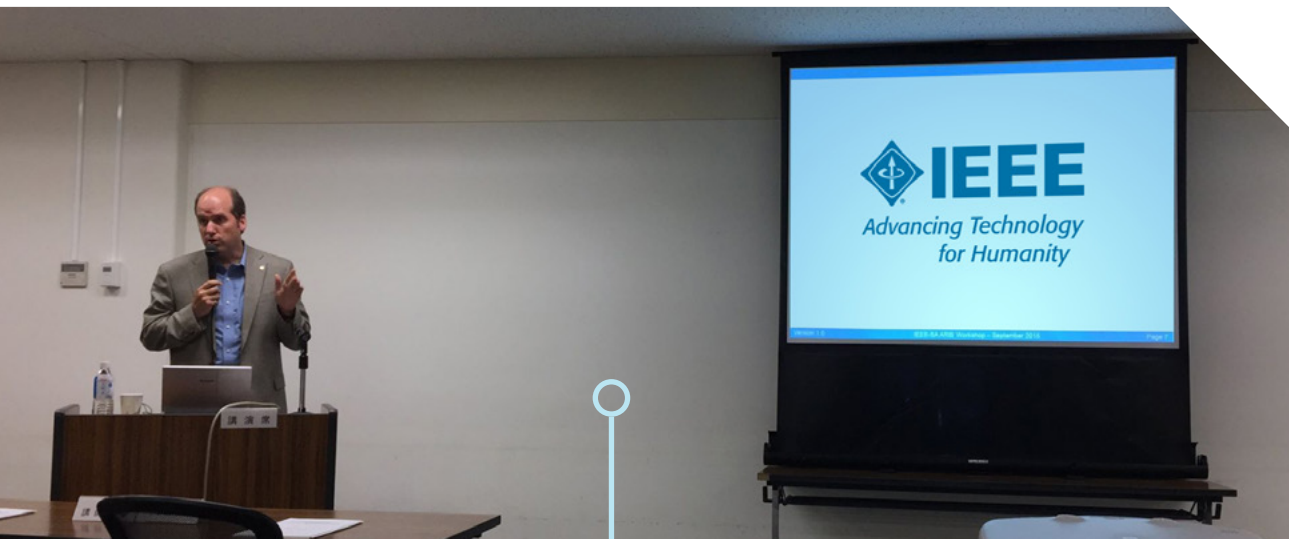
Another important part of the engagement effort was the launch of the IEEE N3XT Summit, the first IEEE-wide global entrepreneurship event, which convened a diverse group of technical entrepreneurs on 14 November in Toronto, Canada. The IEEE N3XT brand is designed to deliver, locally, a global connection to IEEE content and contacts, to foster collaboration and innovation, and to provide encouragement and skills building to young entrepreneurs looking to make their mark. The event attracted more than 250 attendees and generated nearly 250,000 Twitter impressions, which is a measure of the number of times a tweet is seen.



2015 IEEE President Howard Michel presenting a China Southern Grid company representative with a commemorative plate



Members of IEEE Young Professionals participate in the IEEE N3XT event.



IEEE 802.1™ Chair Glenn Parsons introduced current projects and activities for IEEE 802.1, IEEE 802.3™, and IEEE 802.11™ in Chiyoda-ku, Tokyo, Japan. The IEEE Standards Association (IEEE-SA) participated at the 19th meeting of the Global Standards Collaboration (GSC), a high-level gathering of the world's leading Information and Communication Technologies (ICT) standards bodies.

IEEE Extends Its Influence in Standards

Throughout 2015, the IEEE Standards Association (IEEE-SA) worked to achieve its top strategic goal: expanding its global presence. IEEE-SA successfully increased the adoption and use of IEEE standards worldwide, while generating greater interest in and deeper engagement with IEEE-SA programs and activities. As evidence of this forward momentum, IEEE-SA continued its participation in the European Multi-Stakeholder Platform (MSP) on Information and Communication Technologies (ICT) standardization. The MSP provides counsel on matters relating to the implementation of ICT standardization policies in support of European legislation.

IEEE-SA also signed a number of key agreements. One, with the Bureau of Indian Standards (BIS), enables the BIS to adopt IEEE standards as Indian National Standards and is of strategic importance to IEEE-SA with respect

to standards conformance and continuing the growth of IEEE's international footprint. An agreement signed by the IEEE-SA and the Pakistan Engineering Council ensures that IEEE National Electrical Safety Code is used as the basis of the Pakistan Electric and Telecom Safety Code, which will improve worker safety in Pakistan. Agreements with the Zambia Bureau of Standards and the Ghana Standards Authority also allow the adoption of IEEE standards as national standards in both of those countries.

Youth Membership Expands in India

In 2015, IEEE continued its focus on supporting and meeting member needs, membership recruitment, and member retention in India. IEEE implemented a plan for member and membership development based on planning activities conducted in 2014. The India Task Force team, created in February 2015, worked to improve engagement with industry, develop student

internship and entrepreneurship programs, and retain student members. It also conducted a 2015 Metro Area Workshop in Bangalore and engaged student leaders at both the Region 10 Student/Young Professionals Congress and the All India Student Congress.

Africa Committee Builds Relationships

The IEEE Ad Hoc Committee on Activities in Africa was appointed to develop a roadmap for programs and initiatives to guide IEEE's future activities in Sub-Saharan Africa. In 2015, it made significant strides in program development and relationship building that have strategically poised IEEE for sustained engagement on the continent in 2016 and beyond. To realize this goal, in 2015, the committee focused on increasing access to IEEE technical information, promoting education, and supporting development of IEEE's framework locally.

The committee's roadmap for future programs and initiatives will focus on building partnerships both within IEEE and with other external groups that will advance IEEE's work in the region. The roadmap includes the following: developing and supporting activities aimed at bolstering section vitality, supporting local members and nurturing volunteer leadership in Sub-Saharan Africa, facilitating increased access to technical information, convening key stakeholders critical to advancing the engineering ecosystem, building partnerships internally and externally to advance IEEE's work, and supporting and aligning with planned and ongoing IEEE activities.



Expansion in China and Austria

The IEEE Board of Directors moved ahead with global expansion in 2015 by approving an international presence in Shenzhen, China, and Vienna, Austria. These are significant additions to the growing IEEE family.



ADVANCING TECHNOLOGY

San Francisco, Calif.

IEEE is dedicated to fostering technological innovation that advances the engineering profession—and humanity—worldwide. IEEE and its members inspire a global community through IEEE’s publications, conferences, technology standards, and professional and educational activities.

IEEE Collabratec™ Connects Engineering Professionals

In 2015, IEEE launched IEEE Collabratec, a suite of online tools that enables technology professionals around the world to network, collaborate, create, and discover—all within a centralized hub. This online community connects technology professionals across the globe by location, technical interests, and career pursuits with a click of a button—anytime, anywhere.

IEEE Collabratec offers distinct benefits for every audience within the IEEE ecosystem:

- **For IEEE members,** IEEE Collabratec makes it easy to establish a professional identity and showcase key accomplishments. Members can identify individuals based on mutual interests and actively participate in knowledgeable communities. They can also tap into their community’s expertise by asking questions and providing comments.



IEEE Collabratec lets users network, collaborate, and create with technology experts around the world.

- **For authors and researchers,** IEEE Collabratec is a premier destination to connect and collaborate with colleagues around the world. They can tap into a global network to help generate ideas for articles and find co-authors—in real time. IEEE Collabratec also saves time in the content discovery process by organizing, storing, and classifying content in a personalized online library.
- **For IEEE volunteers,** IEEE Collabratec is an ideal tool for building and managing volunteer networks. Volunteers can easily connect with other IEEE volunteers who share technical interests, geographic locations, or volunteer roles.



IEEE Gives Voice to European Engineering Community

IEEE, through its European Public Policy Initiative, expanded the dialogue between the European engineering community and the European Union (EU). The initiative enables technologists to more easily share their concerns with the EU while allowing member countries to obtain critical input in matters of importance to IEEE. As part of these efforts, IEEE hosted a summit entitled “Toward Secure Green Energy” in Brussels that brought influential policymakers together with prominent engineers and scientists to discuss critical issues in technology policy for Europe. The summit featured a keynote from Karl Falkenberg, adviser to European Commission President Jean-Claude Juncker.

Internet Initiative Bolsters Internet Governance Tactics

The IEEE Internet Initiative connected engineers, scientists, and industry leaders globally with policy experts to help improve the understanding of technology and its impact on Internet governance, cybersecurity, and privacy issues. As part of this effort, IEEE played a key role in the second World Internet Conference (WIC), also known as the Wuzhen Summit, with more than 2,000 state leaders, government officials, industry leaders, and experts participating in the three-day gala event. On behalf of IEEE, 2015 IEEE President Howard E. Michel and IEEE Standards Association President Bruce Kraemer spoke at the event. Their talks called on technologists, policy makers, and all stakeholders around the world to preserve and enhance the value of the Internet and its future.



Among the year's other highlights:

- IEEE hosted a roundtable with EU policy experts centered on the interplay of Internet governance and the Internet of Things.
- In April, IEEE engaged with specific institutions in India to forge new relationships in the Internet governance, cybersecurity, and privacy space.
- IEEE participated in the European Union's Managing Alternatives for Privacy, Property, and Internet Governance (MAPPING) project.
- IEEE hosted privacy and security-related panels at South by Southwest (SXSW) 2015, and led a roundtable discussion on Application Programming Interfaces regulation at the 2015 RSA Conference.
- IEEE led a cybersecurity and privacy workshop at the 2015 World Summit on the Information Society (WSIS) Forum, taking part in the Internet Society's panel on collaborative Internet security, and conducting a data protection session at the Pan-European dialogue on Internet governance (EuroDIG).



Todd Richmond, USC Institute for Creative Technologies, B.C. “Heavy” Biermann, The Heavy Projects, and Jay Iorio, Innovation Director, IEEE-SA, speak during the Mixed Reality Discussion at SXSW 2015.

SXSW Puts IEEE in the Spotlight

Every year, the South by Southwest (SXSW) Festival in Austin, Texas, offers IEEE the opportunity to reach young technology entrepreneurs and thought leaders by pushing the boundaries of engineering technology. In 2015, IEEE enjoyed packed sessions at the IEEE Future of Identity Series at SXSW. From panels to parties with technology innovators, IEEE led the conversation on cutting-edge topics, such as body computing, brain hacking, and perceptions of personal identity and privacy in a world that is increasingly interconnected.

Featured speakers at the IEEE Future of Identity Series event included:

Dr. Hugh Herr, director of Biomechatronics Research at MIT Media Lab, led a session entitled “Extreme Bionics: The End of Disability.”

Mat Honan, a senior writer at *Wired* and Parry Aftab, lawyer and Internet safety expert, outlined a new vision and framework for “Privacy by Design” that incorporates privacy standards as an integral part and practice of technology development.

Dr. Leslie Saxon, chief of Cardiovascular Medicine at USC Keck School of Medicine, explored the implications and social acceptance of using personal genomic and biometric data as virtual keys that unlock various aspects of our lives—from home security to healthcare.



E. James Prendergast, IEEE Executive Director and COO, at IEEE's Future of Identity party at the South by Southwest Festival



In 2015, the IEEE Standards Association worked to expand its global presence with leading organizations, and conducted outreach to communicate the benefits of its updated patent policy. Konstantinos Karachalios, managing director IEEE Standards Association, met with various stakeholders.

Updated Patent Policy Encourages Innovation

IEEE strives to develop standards that can achieve universal availability and gain widespread adoption in the market. With this goal in mind, in March IEEE updated its patent policy to foster a clearer policy encouraging greater innovation for the benefit of humanity. The update provides participants greater assurance that they can fairly license patents that can potentially be essential to the implementation of IEEE standards. These advancements received global in-depth attention by governments, standards development organizations, corporations, and the media.

A comprehensive global outreach plan was created and implemented to help effectively communicate the updated policy and the benefit it offers. Meetings were

successfully conducted with government organizations from the European Union, China, Korea, and Japan. In addition, IEEE organized, co-sponsored, or participated in an array of key intellectual property and standards-related conferences and seminars in Europe, the U.S., and China.

Congressional Briefing Enhances Cybersecurity Knowledge

IEEE-USA joined Rep. Sheila Jackson Lee of Texas and Carnegie Mellon University (CMU) in hosting a congressional briefing on cybersecurity. The event was held in June on Capitol Hill and provided congressional staff with an opportunity to learn about actions that can be taken today to dramatically improve security in this area. Experts participating included IEEE members

Jeremy Epstein, program director of computer and network systems at the National Science Foundation, and Rob Seacord, CMU’s secure coding team lead and past chairman of the IEEE P1201.3 Working Group.

IEEE Future Directions Initiative Connects to Latest Innovations

In 2015, IEEE Future Directions advanced and grew seven initiatives: Big Data, Cybersecurity, Green ICT, Internet of Things (IoT), Rebooting Computing, Smart Cities, and Software Defined Networks. The committee also launched three new initiatives: IEEE Brain Initiative, IEEE Digital Senses, and IEEE Smart Materials. Among the year’s highlights, IEEE Future Directions conducted its first Smart Cities Massive Open Online Course, with more than 7,600 registered participants from 150 countries.

Additionally, IEEE’s IoT Initiative continued to gain momentum, with the IEEE World Forum on Internet of Things attracting 400 participants and more than 130 technical papers. Dr. Vinton G. Cerf, vice president and chief internet evangelist for Google, served as keynote speaker for the event. The IoT initiative also saw its social presence and community grow significantly, with more than 3,500 new members, a 500% increase in Twitter followers, and a triple-digit increase in LinkedIn® members. In terms of overall online engagement, the IEEE Future Directions web portal enjoyed more than one million page views in 2015, while Twitter impressions grew to 145 million.



Aristoteles Sandoval Diaz, governor of Jalisco State (left), and Enrique Alfaro, mayor of Guadalajara Municipality, (right) at the 2015 IEEE Smart Cities International Conference held in Guadalajara, Mexico



INCREASING AWARENESS

Bangalore, India

Advances in technology have the potential to solve some of our planet's biggest challenges, and the work of IEEE and its members helps turn that potential into reality. We work every year to increase the awareness of our mission, and in 2015 we succeeded in raising our profile in the technology community, while benefiting humanity.

IEEE Social Media Continued to Soar in 2015



5,000,000+

facebook LIKES
ACROSS IEEE SOCIAL COMMUNITIES



135,000+

twitter FOLLOWERS



85,000+

LinkedIn FOLLOWERS

Mind-Controlled Drag Racing Wows CES Attendees

It's not easy to make a splash at the massive Consumer Electronics Show in Las Vegas. The battle for attendees' attention is fierce every year. In 2015, IEEE staged a mind-control drag-racing competition, which invited attendees to strap on a neurological headset and use their brainwaves to power mini-racecars down a 20-foot track at the IEEE booth. The goal of the show was to drive public and industry conversations about top trends in consumer electronics, further establish IEEE as a thought leader and a go-to source for consumer electronics media, and create media buzz for all of the exciting work IEEE and its members are doing as they think forward.

The competition, which demonstrated the various capabilities of mind-control technologies, boosted booth traffic, media coverage, and awareness of IEEE. It attracted long lines of participants and generated 80,377 new Facebook "likes" for IEEE. Technical experts, including IEEE Life Fellow Martin Cooper, inventor of the cellphone, also shared their perspectives via daily recap videos that received nearly 65,000 views on Facebook.



Racecars on the track at CES 2015



Attendees at the IEEE Women in Engineering International Leadership Conference held in San Jose, Calif.

IEEE Women in Engineering International Leadership Conference Continues to Gain Momentum

IEEE Women in Engineering (WIE) is dedicated to encouraging the promotion of women engineers and scientists, and inspires girls around the world to follow their academic interests to a career in engineering. Key to this effort are many local IEEE WIE events conducted annually and the premier event, the IEEE WIE International Leadership Conference.

The mission of the IEEE WIE International Leadership Conference is to inspire, engage, and advance women in engineering, and provide leading-edge professional development for midlevel and senior women. The 2015 conference took place in April in San Jose, Calif. Its focus

was “Lead Beyond – Accelerating Innovative Women Who Change the World” and speakers included Lisa Su, chief executive officer of AMD, Rebecca Jacoby, chief information officer of Cisco, Yanbing Li, vice president of VMware, and Brian Krzanich, chief executive officer of Intel. Overall, the conference attracted over 700 attendees from 41 different countries, and doubled in participation from 2014.

Also in 2015, three local IEEE WIE summits were held in Guadalajara, Mexico, Philadelphia, Pa., and Chennai, India. The event in India was themed “Beyond Yourself: Leveraging Your Strengths and Breaking Barriers” and focused on inspiration, leadership, empowerment, and entrepreneurship.

Media Coverage Soars in Top Media Outlets

IEEE continues to move the needle in creating awareness of the great work that engineers do and establishing IEEE members as trusted sources for commentary and insight on the latest advancements in technology. Over the past several years, IEEE has attracted increased attention from top-tier media outlets around the world and appeared in over 1,000 news articles in 2015, easily surpassing its goal of 600. Top-tier media coverage grew 60% over 2014, with IEEE experts featured in *The New York Times*, *Yahoo Tech*, *CBS News*, *O’Globo* and the *Guardian*, among other outlets. Social media communities continued to flourish as well, with engagement in IEEE communities trending above industry averages.

IEEE Makes Waves at Maker Faire

IEEE-USA exhibited at the annual World Maker Faire in September at the New York Hall of Science in New York City. Described as “part science fair, part county fair, and part something entirely new,” Maker Faire celebrates maker culture. In New York, it provided a venue for IEEE-USA to raise its visibility and promote engineering careers to an estimated audience of over 130,000. IEEE-USA also exhibited at Maker Faire Silver Spring in Maryland, a Washington, D.C.-area event also held in September that drew over 14,000 attendees, including local robotics teams, hobbyists, and makers of all stripes.

IEEE-USA Partners with AAES to Support Engineering Profession

Partnerships are an important way for IEEE to increase its reach and keep new ideas and energy circulating. In June 2015, IEEE-USA signed a memorandum of understanding with the American Association of Engineering Societies, pledging an effort to address the needs of individuals seeking reentry into the engineering profession after an absence and/or alternative paths for technically trained military veterans seeking to enter engineering.

Volunteer Training Ramps Up

IEEE committed in 2015 to intensify volunteer training efforts. The goal is to provide training solutions that support all levels of volunteer interest and engagement, and to present volunteers with the support they need to help them succeed. To that end, IEEE committed to develop a long-term roadmap for volunteer training and recognize target volunteer audiences and their specific needs.

Additionally, IEEE developed training workshops to increase awareness of volunteering opportunities in countries where participation is maturing. After a very positive experience in 2014 in China and Brazil, 2015 workshops were held in New Delhi and Mumbai, India, Warsaw, Poland, and Hamburg, Germany. A “workshop-in-a-box” was created to engage volunteers at major IEEE conferences, and many of these attendees have replicated this workshop experience in their local communities to educate others about volunteering opportunities at IEEE.



AWARDING EXCELLENCE

Munich, Germany

Contributions made by IEEE were recognized in 2015 by a broad range of institutions and associations around the world. As every year, IEEE recognized the accomplishments of our members with awards of our own.

Dr. Mildred Dresselhaus Receives IEEE Medal of Honor

Dr. Mildred Dresselhaus, a professor of electrical engineering and physics at MIT and a member of the U.S. National Academy of Engineering, received IEEE's highest honor, the IEEE Medal of Honor. Sponsored by the IEEE Foundation, the award was presented at the 2015 IEEE Honors Ceremony which was held at the historic Waldorf Astoria in New York City. IEEE President Howard Michel and IEEE President-elect Barry Shoop served as the Masters of Ceremonies.

Dr. Dresselhaus, an IEEE Life Fellow, is known in tech circles as the "Queen of Carbon Science." The discoveries made on the semiconductive properties of graphite at the nanoscale and carbon-based materials can be traced back to Dr. Dresselhaus' research, which began in the 1960s. This work also earned her the Presidential Medal

of Freedom from U.S. President Barack Obama in 2014, the highest honor a U.S. civilian can receive. Dr. Dresselhaus began her research nearly half a century ago and helped bring carbon-based technologies to where they are now: on the brink of bringing computing into its next era and boosting battery-storage capacities. Today advanced aviation materials, paper-thin batteries, and indestructible touchscreen electronics all use carbon-based technology.

Part of the honors ceremony bridged the past and present, and featured a "colleague" of Thomas Edison who exchanged observations with a robot throughout the evening. The setting paid homage to 1902, when one IEEE's predecessor societies, the American Institute of Electrical Engineers, held a ceremony at the Waldorf Astoria with Guglielmo Marconi as the guest of honor.



2015 IEEE Medal of Honor recipient Mildred Dresselhaus, 2015 IEEE President-elect Barry Shoop (left) and 2015 IEEE President Howard Michel (right) at the IEEE Honors Ceremony

Martin Cooper Presented with 2015 IEEE Masaru Ibuka Award

Martin Cooper, the “father of the cell phone,” received the prestigious 2015 IEEE Masaru Ibuka Award, presented at the IEEE International Conference on Consumer Electronics in Las Vegas. The award is named in honor of Dr. Masaru Ibuka and is given for outstanding contributions to the field of consumer electronics. Cooper, an IEEE Life Fellow, conceived and led the effort to develop a personal, portable radio handset that could be utilized as a normal telephone by anyone, anytime, anywhere. The result was the introduction of the first truly mobile phone in 1973.



After receiving his Ibuka certificate and award in January, IEEE Life Fellow Martin Cooper (right) compared his first cell phone to 2013 IEEE President Peter Staecker's current phone.



IEEE Life Fellow Martin Cooper, the “father of the cell phone”

IEEE Magazines Capture Industry Awards

IEEE’s flagship publication, *IEEE Spectrum*®, continued its winning ways in 2015, garnering numerous industry awards, including a Tabbie Award for Feature Article (“Unclean at Any Speed”) and Best B2B Website. It also took home the Gold Award for Best Cover from the Society of Publication Designers, as well as Azbee Awards for Website Design, Landing Page Design and Video Tutorial (“Brew Your Own Conductive Ink”). *IEEE Spectrum* also captured two 2015 Jesse H. Neal Awards for Best Blog (“Cars That Think”) and Best Theme Issue of a Magazine (“The Future We Deserve”).

In 2015, IEEE publications also received the top prize in three categories at the 27th Annual APEX Awards for Publication Excellence. *IEEE Women in Engineering magazine* won for Feature Writing with “The Future of Malawi.” *IEEE Consumer Electronics* magazine was honored with the Departments & Columns Award for “IP Corner.” *IEEE Power & Energy* magazine was recognized with Design & Illustration (Spread) for “No Light in August.” Two IEEE publications, *IEEE Power & Energy* magazine and *IEEE Potentials*, were also finalists in the prestigious Min’s Editorial & Design Awards.

IEEE Xplore Digital Library Celebrates 15 Years of Innovation

The IEEE *Xplore* Digital Library celebrated 15 years of providing online access to millions of highly cited articles in engineering and technology. Since its launch in May 2000, IEEE *Xplore* has grown from a collection of 500,000 documents going back to 1988 to a robust database of more than 3.8 million documents stretching as far back as 1872. It is now considered one of the leading resources of scientific and technical information in the world. Technologists rely on it to stay up to date, accelerate their research and drive innovation. IEEE *Xplore* reached another important milestone in 2015, with over one billion total article downloads since its launch.

Noteworthy upgrades and enhancements include the addition of hundreds of thousands of historic legacy articles, the incorporation of more than two million articles in a robust, interactive HTML format, and a new mobile-friendly design for remote users. Additionally, IEEE has partnered with leading organizations and publishers, including IET, IBM, VDE, MIT Press, Alcatel Lucent, the Beijing Institute of Aerospace Information, Tsinghua University Press, Morgan & Claypool and, most recently, the Society of Motion Picture and Television Engineers to deliver diverse, high-quality content to its worldwide base of users and to expand the reach of IEEE *Xplore* to a broader audience.

IEEE 802.11 Turns 25

IEEE 802.11, the standard also known as Wi-Fi, celebrated its 25th anniversary in 2015. The wireless standard has come a long way since it first originated at a working group meeting in September 1990. Early Wi-Fi supported data rates were just two megabits



1 BILLION
TOTAL NUMBER OF DOCUMENTS
DOWNLOADED
BY IEEE XPLORE USERS

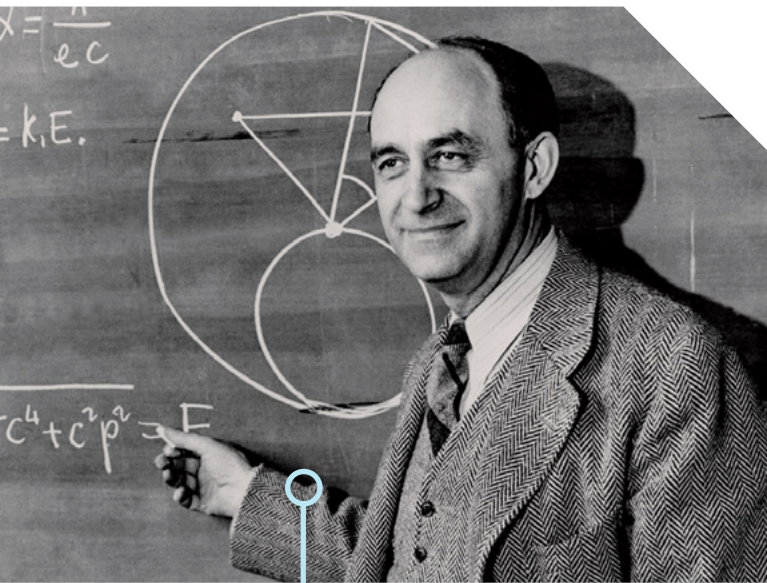
IEEE Xplore by the Numbers		
IEEE Xplore Content	Year 2000	Year 2015
Periodical titles	100	200+
Annual conference titles	350	1,400+
Papers published per year	77,000	215,000+
Author records	350,000	3,500,000+
Total documents	533,000	3,800,000+
Annual # downloaded	11,000,000	100,000,000+

per second. By comparison, the latest Wi-Fi standard supports 3,500 times faster data rates, ranging up to seven gigabits per second. IEEE 802.11 standards underpin wireless networking applications such as wireless access to the Internet from offices, homes, airports, hotels, restaurants, trains, and aircrafts. Today's computers, smartphones and tablets are often equipped with an IEEE 802.11 radio or Wi-Fi. Twenty-five years later, IEEE 802.11 working group participants continue to push the limits of the technology, enabling new devices and applications such as the Internet of Things, wearable technology, and the smart grid.

IEEE Honors Historic Milestones

Each year, the IEEE Milestones in Electrical Engineering and Computing program recognizes exceptional technical achievements that occurred at least 25 years ago. In past years, the program has acknowledged the work of landmark inventors like Benjamin Franklin, Alexander Graham Bell, and Thomas Edison.

The IEEE Milestones recognized in 2015 included:



Source: The Atomic Heritage Foundation

Semiconductor Statistics, 1924-1926

Nobel laureate Enrico Fermi developed the quantum statistics that would be named after him while teaching at the School of Engineering of the University of Florence. Fermi-Dirac statistics were a fundamental contribution to semiconductor physics and to the development of electronics.



Stereo Sound Reproduction, 1931

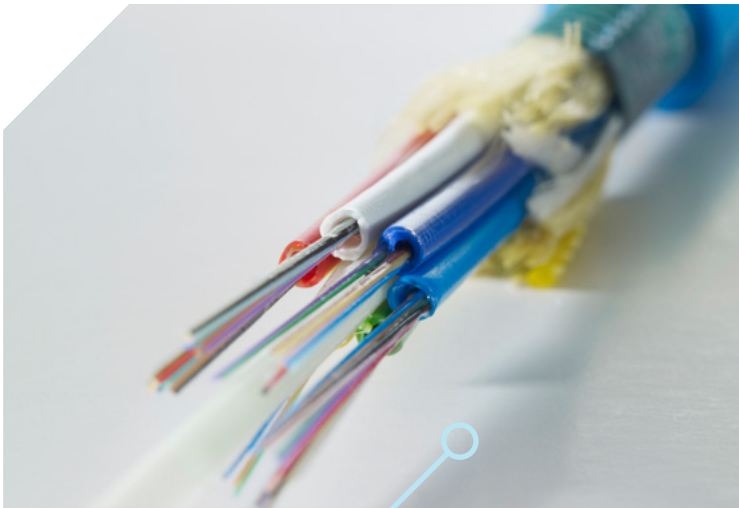
Alan Dower Blumlein filed a patent for a two-channel audio system called "stereo" on 14 December 1931. It included a "shuffling" circuit to preserve directional sound, an orthogonal "Blumlein Pair" of velocity microphones, the recording of two orthogonal channels in a single groove, stereo disc-cutting head, and a hybrid transformer to mix directional signals. Blumlein brought his equipment to Abbey Road Studios in 1934 and recorded the London Philharmonic Orchestra.



Source: The Smithsonian

Interactive Video Games, 1966

The "Brown Box" console, developed at Sanders Associates (later BAE Systems) between 1966 and 1968, was the first interactive videogame system to use an ordinary home television set. This groundbreaking device and the production-engineered version Magnavox Odyssey game system (1972) spawned the commercialization of interactive console video games, which has become a multibillion-dollar industry.



Optical Fibers, 1977-1983

In 1977, Dr. Tatsuo Izawa of Nippon Telegraph and Telephone Corp. (NTT) invented the vapor-phase axial deposition (VAD) method suitable for the mass production of optical fiber. NTT, Furukawa Electric, Sumitomo Electric, and Fujikura collaboratively investigated the fabrication process. The technology successfully shifted from research and development to commercialization. The VAD method contributed greatly to the construction of optical-fiber networks.

Other milestones recognized in 2015:

- Computer History Museum, 1979
- RISC Microprocessor, 1980-1982
- Middle and Upper Atmosphere Radar, 1984
- SPARC/RISC Architecture, 1987
- High-Voltage Converter Station, 1988

EXPANSION AND OUTREACH

Vienna, Austria

IEEE continued to strengthen publishing programs to further its goal of becoming the go-to resource for information and services that technical professionals consider essential to succeed in their own careers. In 2015, we expanded and improved existing products and launched new programs and initiatives to increase the global reach of IEEE.

Historical Gems Move to New Home

Where can you find a 1902 document bearing the signatures of Alexander Graham Bell, Guglielmo Marconi, and Charles Steinmetz? Or a firsthand history of Pong, the first video game, and the early days of Atari? Or a memoir describing development of the first video recorder? These are just some of the historical gems curated by the IEEE History Center, which in 2015 found a new online home. Thanks to a grant from the United Engineering Foundation, the IEEE History Center was able to partner with six other engineering societies to expand the IEEE Global History Network and launch the Engineering and Technology History Wiki at ETHW.org.

The Following Journals Debuted in 2015

- **IEEE Journal on Exploratory Solid-State Computational Devices and Circuits** – features multi-disciplinary research in solid-state materials and circuits.
- **IEEE Journal on Multiscale and Multiphysics Computational Techniques** – publishes papers related to a broad range of electromagnetic engineering problems that rely on theoretical developments and computational techniques.
- **IEEE Nanotechnology Express Journal** – focuses on nanoscale materials, devices, systems, and applications, and on their underlying science. It is an interdisciplinary archival journal that covers all areas of nanotechnology.
- **IEEE Transactions on Cognitive Communications and Networking** – contains manuscripts that advance state-of-the-art of cognitive communications and networking research.
- **IEEE Transactions on Computational Imaging** – covers all areas of computational imaging from fundamental theoretical methods to the latest innovative computational imaging system designs.
- **IEEE Transactions on Molecular, Biological, and Multi-Scale Communications** – is devoted to the principles, design, and analysis of communication systems that use physics beyond classical electromagnetism.
- **IEEE Transactions on Multi-Scale Computing Systems** – is a publication devoted to computing systems that exploit multi-scale and multi-functionality.
- **IEEE Transactions on Signal and Information Processing over Networks** – publishes papers that extend the classical notions of processing of signals defined over vector spaces (e.g. time and space).
- **IEEE Transactions on Transportation Electrification** – is focused on components, systems, standards, and grid interface technologies related to power and energy conversion, propulsion, and actuation for electrified vehicles.



Motion-Imaging Standards and Articles Come to IEEE Xplore Digital Library

IEEE and the Society of Motion Picture and Television Engineers (SMPTE), a leader in motion-imaging standards and education for the communications, media, entertainment, and technology industries, in 2015 incorporated the SMPTE Digital Library into the IEEE Xplore Digital Library. The SMPTE Digital Library includes more than 800 standards documents dating back to 1916, the peer-reviewed *SMPTE Motion Imaging Journal*, and proceedings from SMPTE conferences—more than 20,000 documents in total. The partnership with SMPTE aligns with the ongoing IEEE goal of enriching IEEE Xplore with high-quality, cutting-edge content that empowers engineers.

Open Access Continues to Grow

IEEE Access built on its impressive growth in 2015, with 300 articles published on IEEE Xplore since the journal launched in May 2013. The number of IEEE Access articles published in 2015 increased by 77% compared to 2014. Approximately 17% of IEEE Access articles now

include multimedia content. There were approximately 30,000 downloads of IEEE Access articles per month in 2015 from IEEE Xplore, an increase of 79% over the publication’s monthly downloads in 2014. IEEE Access is currently indexed by Scopus and Compendex and is listed in the Directory of Open Access Journals.

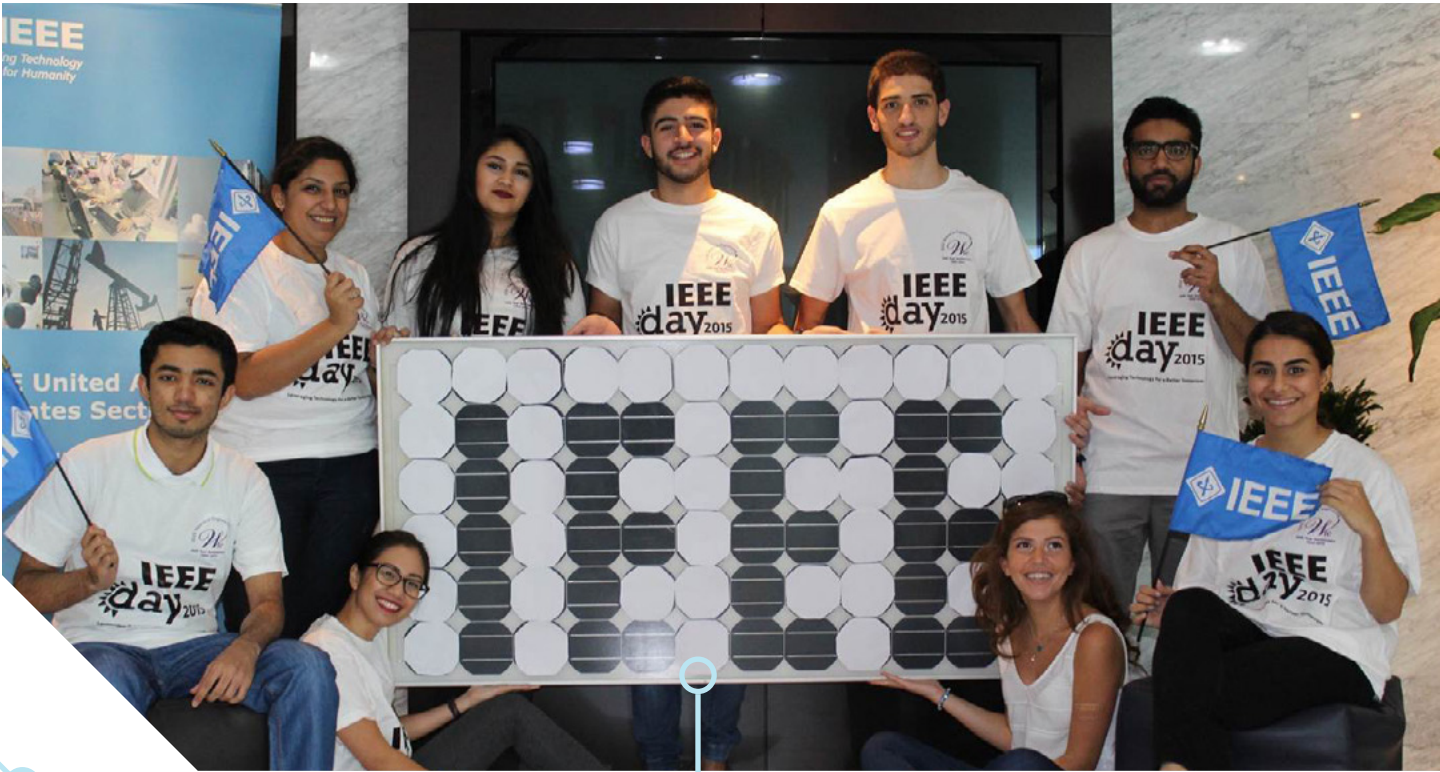


Photo of participants in IEEE Day event

IEEE Technology and Engineering Management Society Launches

The Engineering Management Society was founded in 1951 and became the Technology Management Council in 2007. In 2015 it transitioned to the IEEE Technology and Engineering Management Society (TEMS). TEMS seeks to advance, enhance, and improve essential management, leadership knowledge, and skills of IEEE members. Its mission is to help IEEE members maintain essential engineering management skills, support the leadership career path of IEEE members, and foster active knowledge transfer between the academic and practicing communities.

IEEE Day Celebrates Sixth Anniversary

The sixth annual IEEE Day took place 6 October 2015. The theme of IEEE Day was “Leveraging Technology for a Better Tomorrow” and worldwide celebrations demonstrated the many ways that IEEE members in local communities join together to collaborate on ideas that use technology to make the world a better place. IEEE members held 657 events worldwide to mark the occasion. Among the activities organized in collaboration with the IEEE Foundation were a day of free admission for IEEE members to the Intrepid Sea, Air, and Space Museum in New York City and a similar event held at the Computer History Museum in Mountain View, Calif.



Photo of participants in IEEE Day event



Photo of participants in IEEE Day event



STUDENT AND EDUCATIONAL ENGAGEMENT

Nara, Japan

Education is a core purpose of IEEE. In 2015, IEEE worked to be a leader in science, engineering, and technology education, a difference-maker in career-long learning for practitioners, a global catalyst for innovation, and to foster public understanding and appreciation of technology. IEEE works every day to maintain and enhance the connection to student members worldwide, because they are the ones who will create the great technologies of tomorrow.

IEEE Appeals to Young Professionals

IEEE is committed to helping young professionals evaluate their career goals, polish their professional image, and create the building blocks of a lifelong and diverse professional network. To that end, the IEEE Young Professionals Committee launched a website refresh in 2015. Members can now find all information related to IEEE Young Professionals in one all-encompassing hub, making it easy to search for valuable content and to locate relevant information regarding upcoming IEEE Young Professionals meet-ups.

Another new addition to IEEE Young Professionals is a monthly webinar series that covers topics from personal finance to ideation to validation to deeply technical topics. What's more, the publication GOLDRush was rebranded in 2015 and is now known as IMPACT by IEEE

Young Professionals, reflecting the impact that members are making all around the world with their volunteering, research, leadership and dedication to advancing technology for humanity. The IMPACT blog has been incorporated into the new website and will provide exciting new ways of delivering information to members via videos, podcasts, and presentations from events on every continent.

IEEE Ramps up Accreditation Activities, Bolsters Online Learning

As part of its mission to be a leader in science, engineering and technology education, IEEE actively supports global accreditation to further the future of the engineering profession and stay current with university education issues on a global scale. In 2015, IEEE participated in the Engineering Education Programme



IEEE Young Professionals taking a meeting break and striking a pose.

Accreditation Workshop held in Lusaka, Zambia. The objectives of the workshop were to review Zambia's recent legislative mandate for engineering education program accreditation and to develop a roadmap to assist Zambia in instituting an accreditation system that would ultimately be recognized globally. IEEE also presented a well-received position paper on accreditation at the International Conference on Advancements in Computing and Information Technology (ICACIT) Stakeholders Meeting on Accreditation held in Lima, Peru.

Another key accomplishment in 2015 was the migration of all content from the IEEE eLearning Library to IEEE *Xplore*. The IEEE eLearning Library is a series of engaging

and highly interactive online learning tutorials based on the best IEEE educational content from IEEE conferences around the world and on emerging technology topics developed specifically for inclusion. The IEEE eLearning Library now includes 440 tutorials with more than 575 hours of content, including IEEE English for Engineering, which contains 45 hours of online content and 16 hours of workbook materials.

Additionally, IEEEEx, professional and continuing education courses delivered via the edX platform, broadened in scope. One of the best attended courses in 2015 was Introduction to Cloud Computing, which attracted more than 60,000 students from 180 countries.

Students Put IBM's Watson to the Test

In 2015, IEEE teamed with IBM to present a new competition called the Watson Student Showcase. The showcase involved teams of students using IBM's Watson to create cognitive apps. Students had the opportunity to work with Watson technology while increasing their awareness of cognitive computing and the role it will play in transforming industries. Five winning projects were selected, earning up to US\$2,000 in cash prizes.

IEEE Plays Epic Role in Community Service

Engineering Projects in Community Service (EPICS) in IEEE is a program that organizes university and high school students to work on engineering-related community-based projects. It gives students the unique opportunity to become civically engaged in their local community, explore their interests and career options, and gain real professional experience with hands-on engineering and technology-design projects for their community. In its first full year as an IEEE Foundation Signature Program, EPICS in IEEE received greater visibility in 2015, resulting in the approval of 12 new projects. The total amount awarded to these projects was more than US\$60,000. To build on its operational and programmatic successes, EPICS in IEEE will expand its focus and improve several program elements over the next few years.



Thanks to an EPICS in IEEE grant, a resident of Uganda's Luweero district uses a solar phone charger designed, tested, and assembled by EPICS in IEEE volunteers from Kyambogo University and Agha Khan High School.



IEEE's Kenya student branch installs solar panels at the isolated Kasiluni Primary School, the only institution of its kind within a 25-kilometer radius. The school serves 600 pupils in six grade levels.

New Standards University Promotes Innovation and Success

IEEE Standards University is a new, multi-track initiative intended to greatly expand IEEE's standards education content and resources for educators, students, and professionals. The goal of IEEE Standards University is to expand the influence of IEEE standards and benefit humanity by making standards education a reality at the university level. Milestones reached in 2015 include:

- The launch of a new IEEE Standards University web presence, as well as the unification of all standards education websites, including improved navigation and a consistent look-and-feel
- The release of a new video series highlighting the IEEE 802 family of standards
- Improved video accessibility, with all new videos available via the website, YouTube, and IEEE.tv
- Introduction of four new eLearning modules, including "Ethics and Standards" and "How to Read a Standard"

IEEEExtreme Competition Grows in Strength

More than 6,400 students from 76 countries, an increase of nearly 900 students and 16 countries from 2015, competed in one of the most dynamic and intense coding competitions around: IEEEExtreme. The 24-hour contest, which continues to grow in popularity, brings together IEEE student members from around the world to solve programming challenges that they might be confronted with in the real world. All told, 2,477 teams entered the competition. Now in its eighth year, IEEEExtreme has its own community on IEEE Collabratec, with nearly 2,000 members. To encourage more students to participate and help them prepare for next year's contest, volunteers are developing tutorials and videos that explain how to conquer the competition's various programming challenges.



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MESSAGE FROM THE TREASURER

I am pleased to present the audited financial statements of IEEE. These statements indicate that the overall financial health of the organization continues to be strong.

The IEEE Statement of Activities reflects total revenues for 2015 of \$442.5 million, an increase of \$5.0 million, or 1.1% from 2014. Some of the key contributors that drove the increase in revenues are:

- 1. Continued strength and enhancements to the IEEE *Xplore* platform have resulted in increased revenues for IEEE/IET Electronic Library (IEL). For example, enhancements have included partnering with the Society of Motion Picture and Television Engineers (SMPTE) to include their Digital Library providing a robust and user-friendly platform to members and subscribers.
- 2. Increased retention of memberships for many international geographic units.
- 3. Society publication revenues including over-length page and open access charges.

In 2015, IEEE had total operating expenses of \$452.5 million. This represents an increase from 2014 of \$7.7 million, or 1.7%. This increase is reflected both directly and indirectly in the many projects and initiatives that IEEE has undertaken, including:

- 1. IEEE announced the launch of IEEE Collabratec™, a suite of online tools that enables technology professionals around the world to network, collaborate, create, and discover new career opportunities — all within a centralized hub.
- 2. Continuation of the Interactive Content Project (ICP), which allows converting over 10 years of content in IEEE *Xplore* from static PDF pages into interactive XML and HTML web pages. The ICP provides customers a more user friendly electronic library that is searchable by keywords and hyperlinks.

The above resulted in an operating loss of \$10.0 million for 2015. Additionally, we experienced a net loss from investments of \$6.4 million, which includes realized gains, unrealized losses, and interest and dividends. This was

offset by a \$3.0 million non-operating gain related to the pension. Collectively, the above resulted in a decrease in net assets of \$13.4 million for 2015.

The IEEE Statement of Financial Position reflects a decrease in total assets of \$3.3 million to \$564.4 million; from \$567.7 million at 31 December 2015 and 2014, respectively. Contributing to the decrease in total assets is building and equipment depreciation exceeding capital expenditures. IEEE total liabilities were \$244.7 million and \$234.7 million at 31 December 2015 and 2014, respectively. The increase of \$10.0 million was primarily due to an increase in deferred revenue. Overall, IEEE net assets decreased \$13.4 million to \$319.7 million from the 2014 year-end balance of \$333.1 million.

Grant Thornton LLP, the independent auditors for IEEE, met with the IEEE Audit Committee to discuss the scope and results of the financial statement audit, the review on the adequacy of IEEE's internal accounting controls, and the quality of IEEE's financial reporting prior to issuing the opinion on the financial statements. IEEE received an unmodified opinion from Grant Thornton LLP in the Report of Independent Auditors.

IEEE is tax exempt under Section 501(c)(3) of the Internal Revenue Code. The IEEE Foundation is a separately incorporated related organization of IEEE; accordingly, its audited financial statements are not included in the accompanying documents.

I submit these financial statements with confidence that IEEE continues to be a financially sound organization.



Jerry L. Hudgins
2015 IEEE Treasurer

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of: **The Institute of Electrical and Electronics Engineers, Incorporated**

We have audited the accompanying consolidated financial statements of The Institute of Electrical and Electronics Engineers, Incorporated (the "Institute"), which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Institute of Electrical and Electronics Engineers, Incorporated as of December 31, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Iselin, New Jersey
April 6, 2016

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2015 and 2014

ASSETS	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	\$ 12,447,900	\$ 12,225,500
Accounts receivable, less allowance for doubtful accounts of \$1,937,800 in 2015 and \$2,383,400 in 2014	30,574,700	31,339,700
Prepaid expenses and other assets	17,121,000	15,351,400
Investments, at fair value	452,721,400	452,102,100
Investments - other	2,205,700	2,262,800
Total current assets	515,070,700	513,281,500
NONCURRENT ASSETS		
Long-term investments, at fair value	191,400	191,400
Land, buildings, and equipment, net	49,101,500	54,259,800
Total assets	\$ 564,363,600	\$ 567,732,700
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 47,072,700	\$ 49,120,100
Capital lease obligations	458,300	1,004,400
Accrued pension and other employee benefits	717,100	447,000
Amounts held on behalf of IEEE Foundation, Incorporated	39,721,100	40,634,500
Deferred revenue	126,169,000	113,585,100
Total current liabilities	214,138,200	204,791,100
NONCURRENT LIABILITIES		
Capital lease obligations, net of current portion	189,400	640,800
Accrued pension and other employee benefits, net of current portion	30,367,500	29,258,700
Total liabilities	244,695,100	234,690,600
Commitments and contingencies		
NET ASSETS		
Unrestricted	317,675,900	331,179,200
Temporarily restricted	1,801,200	1,671,500
Permanently restricted	191,400	191,400
Total net assets	319,668,500	333,042,100
Total liabilities and net assets	\$ 564,363,600	\$ 567,732,700

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES				
Memberships and public imperatives	\$ 69,630,100	\$ 533,700	\$ -	\$ 70,163,800
Periodicals	168,377,000	-	-	168,377,000
Conferences	166,378,000	-	-	166,378,000
Standards	37,306,600	1,900	-	37,308,500
Other income	247,600	-	-	247,600
Net assets released from restrictions	402,600	(402,600)	-	-
Total revenues	442,341,900	133,000	-	442,474,900
EXPENSES				
Program services:				
Memberships and public imperatives	114,047,600	-	-	114,047,600
Periodicals	153,259,900	-	-	153,259,900
Conferences	140,304,700	-	-	140,304,700
Standards	35,959,000	-	-	35,959,000
Total program services	443,571,200	-	-	443,571,200
Supporting services:				
General and administrative	8,876,000	-	-	8,876,000
Total expenses	452,447,200	-	-	452,447,200
Changes in net assets before nonoperating activities	(10,105,300)	133,000	-	(9,972,300)
NONOPERATING ACTIVITIES				
Investment loss, net	(6,402,900)	(3,300)	-	(6,406,200)
Pension and related benefits activity other than net periodic benefit cost	3,004,900	-	-	3,004,900
Changes in net assets	(13,503,300)	129,700	-	(13,373,600)
Net assets, beginning of year	331,179,200	1,671,500	191,400	333,042,100
Net assets, end of year	\$ 317,675,900	\$ 1,801,200	\$ 191,400	\$ 319,668,500

The accompanying notes are an integral part of this consolidated financial statement.

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES				
Memberships and public imperatives	\$ 68,006,700	\$ 472,600	\$ -	\$ 68,479,300
Periodicals	163,636,200	61,000	-	163,697,200
Conferences	168,315,900	-	-	168,315,900
Standards	36,948,300	-	-	36,948,300
Other income	80,400	-	-	80,400
Net assets released from restrictions	416,200	(416,200)	-	-
Total revenues	437,403,700	117,400	-	437,521,100
EXPENSES				
Program services:				
Memberships and public imperatives	114,816,600	-	-	114,816,600
Periodicals	148,206,600	-	-	148,206,600
Conferences	140,670,100	-	-	140,670,100
Standards	33,062,100	-	-	33,062,100
Total program services	436,755,400	-	-	436,755,400
Supporting services:				
General and administrative	8,028,100	-	-	8,028,100
Total expenses	444,783,500	-	-	444,783,500
Changes in net assets before nonoperating activities	(7,379,800)	117,400	-	(7,262,400)
NONOPERATING ACTIVITIES				
Investment income, net	21,387,000	22,800	-	21,409,800
Pension and related benefits activity other than net periodic benefit cost	(9,762,600)	-	-	(9,762,600)
Changes in net assets	4,244,600	140,200	-	4,384,800
Net assets, beginning of year	326,934,600	1,531,300	191,400	328,657,300
Net assets, end of year	\$ 331,179,200	\$ 1,671,500	\$ 191,400	\$ 333,042,100

The accompanying notes are an integral part of this consolidated financial statement.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (13,373,600)	\$ 4,384,800
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	15,802,600	15,244,100
Unrealized loss/(gains) on investments	25,863,200	(4,453,300)
Gains on sale of investments	(13,044,100)	(11,084,500)
Bad debt expense	747,400	3,084,200
<i>Changes in assets and liabilities:</i>		
Accounts receivable	17,600	(6,617,600)
Prepaid expenses and other assets	(1,769,600)	(261,000)
Accounts payable and accrued expenses	(2,881,600)	736,000
Accrued pension and other employee benefits	1,378,900	12,611,800
Amounts held on behalf of IEEE Foundation, Incorporated	(913,400)	2,426,300
Deferred revenue	12,583,900	(5,823,300)
Net cash provided by operating activities	24,411,300	10,247,500
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	290,442,500	252,993,600
Purchases of investments	(303,823,800)	(247,032,300)
Purchase of land, buildings and equipment	(10,592,800)	(13,237,900)
Net cash used in investing activities	(23,974,100)	(7,276,600)
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in cash overdraft	860,300	(2,637,200)
Payment of capital lease obligations	(1,075,100)	(1,352,500)
Net cash used in financing activities	(214,800)	(3,989,700)
Net increase (decrease) in cash and cash equivalents	222,400	(1,018,800)
Cash and cash equivalents, beginning of year	12,225,500	13,244,300
Cash and cash equivalents, end of year	\$ 12,447,900	\$ 12,225,500
SUPPLEMENTAL DATA		
Interest paid	\$ 253,500	\$ 314,900
Purchases of fixed assets included in accounts payable and accrued expenses	\$ 516,700	\$ 542,800
Acquisition of equipment through capital lease obligations	\$ 77,600	\$ 73,300

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE 1. THE INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS, INCORPORATED

The objectives of The Institute of Electrical and Electronics Engineers, Incorporated (the “Institute”, or “IEEE”) are (a) scientific and educational, directed toward the advancement of the theory and practice of electrical engineering, electronics engineering, computer engineering, computer sciences, and the allied branches of engineering and related arts and sciences and (b) professional, directed toward the benefit of the engineering community and the general public.

Implementation of the Institute’s objectives is performed through regions, sections, chapters, societies, and councils, all of which are not separately incorporated, and their financial results are incorporated in the Institute’s accompanying consolidated financial statements. These units were formed to serve the technical interests of members and to coordinate these with the local activities of the sections and the broader activities of the Institute. The societies and councils promote the technical interests of their members through symposia, conferences, various publications, and the development of standards.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Basis of Presentation

The Institute’s consolidated financial statements are presented in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”) and have been prepared on the accrual basis of accounting. The consolidated financial statements include the accounts of IEEE, Inc., Global IEEE Institute for Engineers, IEEE Global LLC, IEEE International LLC, IEEE Europe GmbH, IEEE Latin America SA, IEEE Broadcast Technology Convention LLC, IEEE Worldwide Limited and IEEE Asia-Pacific Limited.

Net Asset Classifications

The Institute’s net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Institute and changes therein are classified and reported as follows:

Unrestricted – net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by actions of the Board of Directors. Unrestricted net assets can be utilized to carry out any of the purposes of the Institute.

Temporarily restricted – represent amounts restricted by donors for specific activities of the Institute or to be used at some future date. The Institute records contributions as temporarily restricted if they are received with donor stipulations that limit their use either through purpose or time restrictions. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the consolidated statement of activities as net assets released from restrictions. However, when restrictions on donor-restricted contributions and investment returns are met in the same accounting period, such amounts are reported as part of unrestricted net assets.

Permanently restricted – include funds wherein donors have stipulated that the principal contributed be invested and maintained in perpetuity. Income earned from these investments is available for expenditure according to restrictions imposed by donors and consideration of the appropriation for expenditure criteria by the Institute pursuant to the New York Prudent Management of Institutional Funds Act (“NYPMIFA”).

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash balances held in bank accounts and short-term investments held by the Institute for operating use with original maturities of three months or less from the date of purchase.

Investments

Investments in publicly-traded debt and equity securities are recorded at fair value determined on the basis of quoted market prices as of the reporting date. Investments in commingled funds that are not readily marketable are reported at fair value as determined by the respective investment manager as of the reporting date. Such valuations involve assumptions and methods that are reviewed by the Institute and which have been concluded to be reasonable and appropriate. Because such investments are not readily marketable, their estimated fair value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed. Such difference could be material. However, the risk to the Institute is limited to the amount of the Institute’s investment in each of the respective funds with respect to its ownership interests.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are determined on an average cost basis and are recorded on the consolidated statement of activities in the period in which the securities are sold. Dividends and interest are recognized as earned.

Investments - Other

Investments - other consist of certificates of deposit held for investment with original maturities greater than three months that are not debt securities and are carried at amortized cost.

Fair Value Measurements

The Financial Accounting Standards Board (“FASB”) Topic 820, under the FASB Accounting Standards Codification (“ASC”) defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available to determine the fair value of an instrument as of the reporting date.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed. Also included in Level 2 are investments measured using a net asset value (“NAV”) per share, or its equivalent, that may be redeemed at NAV at the date of the statement of financial position or in the near term, which the Institute has determined to be within 90 days.

Level 3 -Securities that have little to no pricing observability as of the measurement date. These securities are measured using management’s best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation. Also included in Level 3 are investments measured using a NAV per share, or its equivalent, that can never be redeemed at NAV or for which redemption at NAV is uncertain due to lock-up periods or other investment restrictions.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgment by an entity. The Institute considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Revenue Recognition

Revenues from membership dues and periodicals are recognized on a straight-line basis over the period to which they pertain. Amounts received in advance are included in deferred revenue.

Conference revenues and related expenses are reported in the year in which the respective conference occurs. Amounts received in advance from attendees or costs paid in advance by the Institute for conferences occurring in the following year are deferred.

Standards revenue primarily includes revenue from periodicals, publications, and standards working groups. Standards periodicals and publications are recognized on a straight-line basis over the period to which they pertain. Working groups work to create and write the standards and strive for broad representation of global participation.

Contributions, including unconditional promises to give, are reported as revenues in the period received. Conditional contributions are recorded as revenue when the conditions on which they depend are substantially met.

Public Imperatives

Public imperatives represent outreach and public awareness efforts to inform the public and members about technology and the engineering profession. Public imperatives revenues consist of IEEE-USA assessments (included in the annual membership renewal), History Center, and certain educational, society and IEEE Foundation, Incorporated related activities. Public imperatives expenses consist of IEEE-USA, History Center, grants, educational activities, initiatives, honors ceremony, presentations, corporate awards and some society expenses. Net public imperatives activity for the years ended December 31, 2015 and 2014 are presented below.

Public Imperatives	2015	2014
Revenues	\$ 7,337,300	\$ 6,676,400
Expenses	20,150,800	20,977,800
Public Imperatives, net	\$(12,813,500)	\$(14,301,400)

Subsequent to December 31, 2015, the Institute’s Board of Directors approved a revised definition for public imperatives, which more closely aligns the classification of related expenses with such activities; however, this change will become effective in 2016.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Institute reviews a customer’s credit history before extending credit. The Institute maintains allowances for doubtful accounts against certain billed receivables based upon the latest information available regarding whether the receivables are ultimately collectible. Assessing the collectability of customer receivables requires management’s judgment. The Institute determines its allowance for doubtful accounts by specifically analyzing individual accounts receivable, historical bad debts, customer creditworthiness, current economic conditions, and accounts receivable aging trends. Valuation reserves are periodically re-evaluated and adjusted as more information about the ultimate collectability of accounts receivable becomes available. Upon determination that a receivable is uncollectible, the respective receivable balance and any associated reserve are written-off. Any payments subsequently received on such receivables are recorded as income in the period received.

Land, Buildings, and Equipment

Land, buildings, and equipment are stated at cost, including interest expense capitalized during the period of construction, or period of development until the time that it is ready for its intended use, as in the case of internal-use software. Additions and improvements costing more than \$1,500 and with useful lives greater than three years are capitalized. Maintenance and repairs are expensed as incurred.

Assets acquired under capital lease agreements are depreciated over the term of the respective lease agreement to which they pertain. Leasehold improvements are amortized over their useful lives or lease period whichever is shorter.

Depreciation and amortization is provided on a straight-line basis over the following estimated useful lives:

	Years
Buildings	20 - 40
Building improvements	10 - 15
Furniture, equipment and vehicles	5 - 10
Computers	3

Impairment of Long-Lived Assets

Long-lived assets, such as land, buildings, and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If the carrying amount of the long-lived asset (or asset group) exceeds its fair value and the carrying amount is not recoverable, an impairment loss is recognized. An impairment loss is measured as the amount by which the long-lived asset (or asset group) exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

Accounts Payable and Accrued Expenses

Cash overdrafts are included in accounts payable and accrued expenses. At December 31, 2015 and 2014, cash overdrafts amounted to \$860,300 and \$0, respectively.

Concentration of Market and Credit Risks

Cash, cash equivalents and investments are exposed to interest rate, market, and credit risks. The Institute maintains its cash and cash equivalents in various bank deposit accounts that may exceed federally insured limits at times. To minimize risk, the Institute's cash accounts are placed with high-credit quality financial institutions, and the Institute's investment portfolio is diversified with several investment managers in a variety of asset classes. The Institute regularly evaluates its depository arrangements and investments, including performance thereof.

Operating Measure

The Institute classifies its consolidated statement of activities into operating and nonoperating activities. Operating activities include all income and expenses related to carrying out the Institute's mission. Non-operating activities include interest and dividends, realized and unrealized gains (losses) on investments, pension and other employee benefit related activity other than net periodic benefit cost and other activities considered to be of a more unusual or nonrecurring nature, if any.

Income Taxes and Tax Status

The Institute follows the provisions of FASB Interpretation No. 48 ("FIN 48") *Accounting for Uncertainties in Income Taxes* - an interpretation of FASB Statement No. 109, now incorporated in ASC 740, *Income Taxes*. ASC 740-10 clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This section provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The Institute is qualified under Section 501(c)(3) of the Internal Revenue Code ("Code") as an organization exempt from federal income tax and applicable state income tax and is classified as a publicly supported charitable organization under Section 509(a)(1) of the Code. Nevertheless, the Institute may be subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The tax years ended December 31, 2012, 2013, 2014 and 2015 are still open to audit for both federal and state purposes. As of December 31, 2015, management has determined that there are no significant uncertain tax positions that would require recognition or disclosure in the accompanying consolidated financial statements.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Institute evaluated its December 31, 2015 consolidated financial statements for subsequent events through April 6, 2016, the date the consolidated financial statements were available to be issued. The Institute is not aware of any material subsequent events which would require recognition or disclosure in the accompanying consolidated financial statements, except as disclosed in Notes 2 and 5.

NOTE 3. INVESTMENTS

As of December 31, 2015, the Institute's investments, at fair value, by level within the fair value hierarchy, consist of the following:

	2015					
	Level 1		Level 2		Level 3	Total
<i>Common stock:</i>						
Consumer	\$	30,933,700	\$	-	\$	30,933,700
Technology		36,160,200		-	-	36,160,200
Financial services		33,628,700		-	-	33,628,700
Healthcare		31,037,100		-	-	31,037,100
Industrials		15,636,400		-	-	15,636,400
Energy		9,552,000		-	-	9,552,000
Other		7,365,700		-	-	7,365,700
Total common stocks		164,313,800		-	-	164,313,800
<i>Mutual funds:</i>						
Growth funds		28,199,800		-	-	28,199,800
Fixed income funds		117,581,200		-	-	117,581,200
Money market funds		62,951,100		-	-	62,951,100
Other funds		22,746,800		-	-	22,746,800
Total mutual funds		231,478,900		-	-	231,478,900
U.S. Government securities		19,442,200		-	-	19,442,200
Commingled funds		-		33,795,500	-	33,795,500
		415,234,900		33,795,500	-	449,030,400
Cash held for investment		4,148,100		-	-	4,148,100
Add: receivables for securities sold and accrued interest		238,700		-	-	238,700
Less: liabilities for securities purchased and accrued fees		(504,400)		-	-	(504,400)
Total investments, at fair value	\$	419,117,300	\$	33,795,500	\$	452,912,800

As of December 31, 2014, the Institute’s investments, at fair value, by level within the fair value hierarchy, consist of the following:

	2014			
	Level 1	Level 2	Level 3	Total
<i>Common stock:</i>				
Consumer	\$ 34,179,300	\$ -	\$ -	\$ 34,179,300
Technology	36,741,000	-	-	36,741,000
Financial services	34,290,500	-	-	34,290,500
Healthcare	30,830,800	-	-	30,830,800
Industrials	22,186,000	-	-	22,186,000
Energy	12,976,700	-	-	12,976,700
Other	7,901,500	-	-	7,901,500
Total common stocks	179,105,800	-	-	179,105,800
<i>Mutual funds:</i>				
Growth funds	28,033,700	-	-	28,033,700
Fixed income funds	113,976,700	-	-	113,976,700
Money market funds	54,179,100	-	-	54,179,100
Other funds	22,785,600	-	-	22,785,600
Total mutual funds	218,975,100	-	-	218,975,100
U.S. Government securities	17,272,700	-	-	17,272,700
Commingled funds	-	33,331,900	-	33,331,900
	415,353,600	33,331,900	-	448,685,500
Cash held for investment	3,800,900	-	-	3,800,900
Add: receivables for securities sold and accrued interest	1,034,000	-	-	1,034,000
Less: liabilities for securities purchased and accrued fees	(1,226,900)	-	-	(1,226,900)
Total investments, at fair value	\$ 418,961,600	\$ 33,331,900	\$ -	\$ 452,293,500

The Institute’s policy is to recognize transfers in and transfers out of levels at the end of the reporting period.

The categorization of the investments within the fair value hierarchy presented above is based solely on the pricing transparency of the respective instrument and does not necessarily correspond to the Institute’s perceived risk associated with the investment security.

Since commingled funds may not be readily marketable, their estimated fair value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed, and the differences could be material. The values

assigned to these holdings do not necessarily represent amounts which might ultimately be realized upon sale or other disposition since such amounts depend on future circumstances and cannot reasonably be determined until the actual liquidation occurs. The Institute uses, as a practical expedient for fair value, a NAV per share or its equivalent for purposes of valuing certain investments which: (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company, as defined by ASC Topic 740.

The following table lists such investments by major category as of December 31, 2015 and 2014:

2015							
Type	Strategy	NAV In Funds	# of Funds	Remaining Life	\$ Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Commingled funds	One fund seeks to achieve total return in excess of Morgan Stanley Capital International All Country World ex USA Index through investing in a diversified portfolio of international equities; and, one fund seeks to outperform the Russell 2000 Index over a 1 to 3 year period.	\$ 33,795,500	2	To be determind by the respective fund manager.	N/A	One fund permits redemption upon last business day of each calendar month; One fund has daily redemption upon notice.	N/A
2014							
Type	Strategy	NAV In Funds	# of Funds	Remaining Life	\$ Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Commingled funds	One fund seeks to achieve total return in excess of Morgan Stanley Capital International All Country World ex USA Index through investing in a diversified portfolio of international equities; and, one fund seeks to outperform the Russell 2000 Index over a 1 to 3 year period.	\$ 33,331,900	2	To be determind by the respective fund manager.	N/A	One fund permits redemption upon last business day of each calendar month; One fund has daily redemption upon notice.	N/A

The Institute’s certificates of deposits of \$2,205,700 and \$2,262,800 as of December 31, 2015 and 2014, respectively, are classified as investments – other on the accompanying consolidated statements of financial position. These investments do not qualify as securities, as defined by relevant guidance, and as such, fair value disclosures are not provided.

Investment (loss) income, net, for the years ended December 31, 2015 and 2014, including investment returns related to amounts held on behalf of IEEE Foundation, Incorporated, that have not been reflected in the accompanying consolidated statements of activities, consists of the following:

TOTAL INVESTMENTS	2015	2014
Interest and dividends, net	\$ 7,017,800	\$ 6,423,200
Net realized and unrealized (loss) gains on investments	(13,999,400)	17,009,600
Total investment (loss) income, net	\$ (6,981,600)	\$ 23,432,800
IEEE FOUNDATION, INCORPORATED	2015	2014
Interest and dividends, net	\$ 604,900	\$ 551,200
Net realized and unrealized (loss) gains on investments	(1,180,300)	1,471,800
IEEE Foundation investment (loss) income, net	\$ (575,400)	\$ 2,023,000
IEEE	2015	2014
Interest and dividends, net	\$ 6,412,900	\$ 5,872,000
Net realized and unrealized (loss) gains on investments	(12,819,100)	15,537,800
IEEE investment (loss) income, net	\$ (6,406,200)	\$ 21,409,800

Investment expenses, which are netted with interest and dividends, amounted to \$1,341,700 and \$1,235,200 in 2015 and 2014, respectively.

NOTE 4. LAND, BUILDINGS, AND EQUIPMENT, NET

Land, buildings, and equipment, carried at cost, net of the related accumulated depreciation and amortization, at December 31, 2015 and 2014 consist of the following:

	2015			2014		
	Cost	Accumulated Depreciation and Amortization	Net	Cost	Accumulated Depreciation and Amortization	Net
Buildings	\$ 17,956,600	\$ 13,306,200	\$ 4,650,400	\$ 17,956,600	\$ 12,867,700	\$ 5,088,900
Furniture, equipment, vehides and computers	78,966,200	54,758,800	24,207,400	89,406,800	60,609,700	28,797,100
Software	17,796,300	14,891,800	2,904,500	18,113,100	13,495,800	4,617,300
Building improvements	17,534,400	7,780,600	9,753,800	16,523,700	6,548,000	9,975,700
	132,253,500	90,737,400	41,516,100	142,000,200	93,521,200	48,479,000
Land	873,000	-	873,000	873,000	-	873,000
Building improvements in progress	354,200	-	354,200	330,400	-	330,400
Information systems upgrade in process	6,358,200	-	6,358,200	4,577,400	-	4,577,400
Total	\$ 139,838,900	\$ 90,737,400	\$ 49,101,500	\$ 147,781,000	\$ 93,521,200	\$ 54,259,800

Depreciation and amortization expense amounted to \$15,802,600 and \$15,244,100 for the years ended December 31, 2015 and 2014, respectively.

Furniture and equipment include assets acquired under capital leases of \$5,501,500 and \$7,225,900 as of December 31, 2015 and 2014, respectively. Accumulated amortization of assets recorded under capital leases amounted to \$4,862,400 and \$5,584,700 at December 31, 2015 and 2014, respectively.

NOTE 5. DEBT OBLIGATIONS

The Institute maintains a credit facility to borrow up to an aggregate amount of \$50,000,000. The credit facility consists of \$20,000,000 with Wells Fargo Bank, N.A. (formerly “Wachovia Bank”), \$15,000,000 with JPMorgan Chase Bank, N.A. (previously “The Bank of New York”), and \$15,000,000 with HSBC Bank, N.A. USA (collectively, the “Lenders”), under an amended and restated revolving credit agreement dated September 27, 2011 that expired on February 1, 2016 (the “Agreement”). The Institute is charged commitment fees, which amounted to \$141,700 in 2015 and \$142,100 in 2014, on the unused portion of the credit facility. The credit facility was not utilized in 2015 and 2014; the Institute had no outstanding borrowings under the credit facility in either year.

Subsequent to December 31, 2015, a new credit facility agreement dated February 16, 2016 was secured with an expiration date of February 16, 2017. The credit facility consists of \$30,000,000 with

Wells Fargo Bank, N.A. and \$20,000,000 with HSBC Bank, N.A. USA, under an amended and restated revolving credit agreement.

The Institute is required to maintain certain financial ratios under the Agreement with the Lenders. At December 31, 2015, the Institute was in compliance with all financial ratios.

Interest expense, net of amounts capitalized of \$155,900 in 2015 and \$136,700 in 2014, amounted to \$97,700 in 2015 and \$178,200 in 2014. Interest expense relates principally to leases of servers and laptops.

NOTE 6. CAPITAL LEASE OBLIGATIONS

The approximate annual rental payments due under capital lease obligations are as follows:

Year	Amount
2016	\$ 509,300
2017	169,500
2018	46,900
Total minimum lease payments	725,700
Less: Amount representing interest	(78,000)
Present value of minimum lease payments	\$ 647,700

NOTE 7. PENSION AND OTHER POST-RETIREMENT BENEFITS

The Institute sponsors two qualified pension plans and one nonqualified pension plan and other post-retirement benefit plans for its employees. In November 2006, the Board of Directors approved the freezing of its qualified employee benefit plans as of June 30, 2007 and the implementation of a defined contribution plan effective July 1, 2007. Accordingly, as of June 30, 2007, no further benefits will accrue under the qualified employee benefit plans after that date.

The following tables provide a reconciliation of the changes in the plans’ benefit obligations and fair value of assets over the two-year period ended December 31, 2015, and a statement of the funded status as of December 31, 2015 and 2014:

	Pension Benefits		Other Benefits	
	2015	2014	2015	2014
Reconciliation of benefit obligation:				
Obligation at January 1	\$ 94,478,300	\$ 75,213,200	\$ 6,647,400	\$ 5,073,800
Service cost	255,000	255,000	273,500	208,600
Interest cost	3,397,700	3,339,100	247,000	231,100
Actuarial (gain) loss	(4,841,300)	18,972,000	(521,500)	1,272,900
Benefit payments	(2,060,100)	(3,301,000)	(130,100)	(139,000)
Settlements	(5,155,500)	-	-	-
Obligation at December 31	\$ 86,074,100	\$ 94,478,300	\$ 6,516,300	\$ 6,647,400

Reconciliation of fair value of plan assets:

Fair value of plan assets at January 1	\$ 75,282,000	\$ 66,839,100	\$ -	\$ -
Actual return on plan assets	(3,045,700)	11,722,000	-	-
Employer contributions	717,700	21,900	130,100	139,000
Benefit payments	(2,060,100)	(3,301,000)	(130,100)	(139,000)
Settlements	(5,155,500)	-	-	-
Fair value of plan assets at December 31	\$ 65,738,400	\$ 75,282,000	\$ -	\$ -

Funded status at December 31	\$ (20,335,700)	\$ (19,196,300)	\$ (6,516,300)	\$ (6,647,400)
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Accumulated benefit obligation	\$ 86,074,100	\$ 94,478,300	\$ 6,516,300	\$ 6,647,400
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At December 31, 2015 and 2014, the funded status of the plans is reported on the consolidated statements of financial position as follows:

	Pension Benefits		Other Benefits	
	2015	2014	2015	2014
Current liabilities	\$ (16,400)	\$ (20,700)	\$ (247,300)	\$ (234,500)
Noncurrent liabilities	(20,319,300)	(19,175,600)	(6,269,000)	(6,412,900)
Net Amount Recognized	\$ (20,335,700)	\$ (19,196,300)	\$ (6,516,300)	\$ (6,647,400)

Cumulative amounts recognized in changes in unrestricted net assets and not yet recognized in net periodic benefit cost as of December 31, 2015 and 2014 consist of:

	Pension Benefits		Other Benefits	
	2015	2014	2015	2014
Net loss	\$ 26,289,900	\$ 28,671,000	\$ 1,462,800	\$ 2,086,600
Prior service cost	-	-	-	-
Total	\$ 26,289,900	\$ 28,671,000	\$ 1,462,800	\$ 2,086,600

The following table provides the components of net periodic benefit cost for the plans for 2015 and 2014:

	Pension Benefits		Other Benefits	
	2015	2014	2015	2014
Service cost	\$ 255,000	\$ 255,000	\$ 273,500	\$ 208,600
Interest cost	3,397,700	3,339,100	247,100	231,100
Expected return on plan assets	(2,862,800)	(2,547,500)	-	-
Amortization of transition obligation	-	-	-	45,800
Amortization of net loss	1,905,100	1,241,700	102,300	20,400
Settlement loss	1,543,100	-	-	-
Net periodic benefit cost	\$ 4,238,100	\$ 2,288,300	\$ 622,900	\$ 505,900

Amounts recognized in changes in unrestricted net assets for the years ended December 31, 2015 and 2014 consist of:

	Pension Benefits		Other Benefits	
	2015	2014	2015	2014
Net loss (gain)	\$ 1,067,100	\$ 9,797,500	\$ (521,500)	\$ 1,273,000
Amortization of net loss	(3,448,200)	(1,241,700)	(102,300)	(20,400)
Amortization of transition obligation	-	-	-	(45,800)
Pension related benefits activity other than periodic benefit cost	\$ (2,381,100)	\$ 8,555,800	\$ (623,800)	\$ 1,206,800

The estimated amount of unrestricted net assets to be recognized as a component of net periodic benefit cost in the next fiscal year is as follows:

	Pension Benefits	Other Benefits
Net loss	\$ 1,955,200	\$ 61,600

The prior service costs are amortized on a straight-line basis over the average remaining service period of active participants. Gains and losses in excess of 10% of the greater of the benefit obligation and the fair value of plan assets are amortized over the average remaining service period of active participants.

The assumptions used in the measurement of the Institute’s benefit obligation are shown in the following table:

	Pension Benefits		Other Benefits	
	2015	2014	2015	2014
Weighted-average assumptions as of December 31				
Discount rate	4.06%	3.74%	4.18%	3.84%
Rate of compensation increase	N/A	N/A	N/A	N/A

The assumptions used in the measurement of the net periodic benefit cost are shown in the following table:

	Pension Benefits		Other Benefits	
	2015	2014	2015	2014
Weighted-average assumptions as of December 31				
Discount rate	3.74%	4.61%	3.84%	4.72%
Expected return on plan assets	4.00%	4.00%	N/A	N/A
Rate of compensation increase	N/A	N/A	N/A	N/A

The health care plan benefits are a flat dollar reimbursement to the retirees toward health care premiums. An increase in the reimbursement amount is not assumed.

Contributions

There are no required contributions due to the qualified pension plans during 2016 under the Internal Revenue Service’s (“IRS”) minimum funding regulations. There was a required contribution of \$700,000 made to the plan in November 2015.

IEEE expects to contribute approximately \$16,000 to its nonqualified pension plan and approximately \$247,000 to its other post-retirement benefit plans during 2016.

Expected Benefit Payments

	Pension Benefits	Other Benefits
2016	\$ 3,261,900	\$ 247,300
2017	4,020,800	253,900
2018	3,544,600	259,800
2019	4,499,300	273,200
2020	4,639,200	286,700
2021 to 2024	27,496,400	1,666,200

Plan Assets

IEEE determines its assumptions for the expected rate of return on plan assets for its retirement plans based on ranges of anticipated rates of return for each asset class. A weighted range of nominal rates is then determined based on target allocations for each asset class. IEEE considers the expected rate of return to be a longer-term assessment of return expectations and does not anticipate changing this assumption annually unless economic conditions change significantly. The expected rate of return for each plan is based upon its expected asset allocation. Market performance over a period of earlier years is evaluated covering a wide range of economic conditions to determine whether there are reliable reasons for projecting forward any past trends.

IEEE’s pension and post-retirement plan asset allocation at the end of 2015 and 2014, and the target allocation for 2015 and 2014 by asset category based on asset fair values are as follows:

Asset Category	2015 Target Asset Allocation	Pension Assets at December 31		Post-Retirement Assets at December 31	
		2015	2014	2015	2014
Equity securities	10%	13%	11%	N/A	N/A
Debt securities	90%	85%	86%	N/A	N/A
Cash and cash equivalents	-	2%	3%	N/A	N/A
Total	100%	100%	100%	N/A	N/A

Third-party investment professionals manage IEEE’s pension plan assets, rebalancing assets as the Institute deems appropriate. IEEE’s investment strategy with respect to its pension plan assets is to maintain a diversified investment portfolio across several asset classes targeting an annual rate of return of 4% in both 2015 and 2014. To develop the expected long-term rate of return on assets assumption, the Institute considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

IEEE’s pension and post-retirement funds’ investment strategies are to invest in a prudent manner for the exclusive purpose of providing benefits to participants. The investment strategies are targeted to produce a total return that, when combined with IEEE’s contributions to the funds, will maintain the funds’ ability to meet all required benefit obligations. Risk is controlled through diversification of asset types and investments in debt securities, domestic and international equities, and cash and cash equivalents.

The Institute’s investment objectives for the pension plans are to minimize the volatility of the pension assets relative to pension liabilities and to offset the required contributions. The current target asset allocations are 10% equity securities and 90% debt securities. The investment guidelines further allow the managers to keep up to 5% in cash and cash equivalents.

Investment strategies and policies for the pension plans reflect a balance of risk-reducing and return-seeking considerations. The objective of minimizing the volatility of assets relative to liabilities is addressed primarily through asset - liability matching. At December 31, 2015 and 2014, approximately 90% of the plan assets were invested in corporate, municipal, and foreign bonds and U.S. government securities. These debt securities match the long-dated nature of the pension liabilities. At December 31, 2015 and 2014, approximately 5% of the plan assets were held in common stock and 5% in equity mutual funds. These equity investments should provide asset growth to offset required contributions. The Institute’s policy is to reconsider the plan asset allocation investments regularly to ensure actual allocations are in line with target allocations.

All plan assets are externally managed. Investment managers are not permitted to invest outside of the asset classes or strategy for which they have been appointed. The Institute uses investment guidelines to ensure investment managers invest solely within the investment strategy for which they have been retained.

The following table prioritizes the inputs used to measure and report the fair value of the Institute’s pension plan assets at December 31, 2015:

	2015				
	Level 1	Level 2	Level 3	Total	
Cash and cash equivalents	\$ -	\$ 571,300	\$ -	\$ 571,300	
Common stock:					
Consumer	869,500	-	-	869,500	
Technology	1,058,900	-	-	1,058,900	
Industrials	487,200	-	-	487,200	
Healthcare	865,900	-	-	865,900	
Financial services	550,500	-	-	550,500	
Energy	189,900	-	-	189,900	
Other	226,400	-	-	226,400	
Total common stocks	4,248,300	-	-	4,248,300	
Equity mutual funds	4,091,700	-	-	4,091,700	
Corporate bonds	-	37,759,100	-	37,759,100	
U.S. Government securities	13,300,900	1,253,300	-	14,554,200	
Municipal bonds	-	3,613,600	-	3,613,600	
Foreign bonds	-	346,400	-	346,400	
	21,640,900	43,543,700	-	65,184,600	
Add: receivables for securities sold and accrued interest	702,000	-	-	702,000	
Less: liabilities for securities purchased and accrued fees	(148,200)	-	-	(148,200)	
Total pension plan investments	\$ 22,194,700	\$ 43,543,700	\$ -	\$ 65,738,400	

The following table prioritizes the inputs used to measure and report the fair value of the Institute’s pension plan assets at December 31, 2014:

	2014				
	Level 1	Level 2	Level 3	Total	
Cash and cash equivalents	\$ -	\$ 1,879,100	\$ -	\$ 1,879,100	
Common stock:					
Consumer	822,700	-	-	822,700	
Technology	939,000	-	-	939,000	
Industrials	600,000	-	-	600,000	
Healthcare	755,200	-	-	755,200	
Financial services	534,200	-	-	534,200	
Energy	270,300	-	-	270,300	
Other	252,300	-	-	252,300	
Total common stocks	4,173,700	-	-	4,173,700	
Equity mutual funds	4,289,600	-	-	4,289,600	
Corporate bonds	-	43,087,400	-	43,087,400	
U.S. Government securities	13,824,500	1,010,600	-	14,835,100	
Municipal bonds	-	4,353,800	-	4,353,800	
Foreign bonds	-	1,909,800	-	1,909,800	
	22,287,800	52,240,700	-	74,528,500	
Add: receivables for securities sold and accrued interest	866,800	-	-	866,800	
Less: liabilities for securities purchased and accrued fees	(113,300)	-	-	(113,300)	
Total pension plan investments	\$ 23,041,300	\$ 52,240,700	\$ -	\$ 75,282,000	

The Institute’s policy is to recognize transfers in and transfers out of levels at the end of the respective reporting period.

The Institute uses, as a practical expedient for fair value, an NAV per share or its equivalent for purposes of valuing certain investments which: (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company, as defined by ASC Topic 740. The following table lists such investments by major category as of December 31, 2015 and 2014:

2015							
Type	Strategy	NAV in Funds	# of Funds	Remaining Life	\$ Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Collective trust fund	Seeks the highest level of current income possible consistent with the preservation of capital and maintenance of liquidity.	\$ 571,300	1	Subject to the determination of the respective fund manager	N/A	Daily redemption, upon notice	N/A
2014							
Type	Strategy	NAV in Funds	# of Funds	Remaining Life	\$ Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Collective trust fund	Seeks the highest level of current income possible consistent with the preservation of capital and maintenance of liquidity.	\$ 1,879,100	1	Subject to the determination of the respective fund manager	N/A	Daily redemption, upon notice	N/A

The Institute also has a defined contribution 401(k) Savings and Investment Plan (the “Plan”) for eligible employees, who are eligible to participate after the start of the next pay period following 30 days of employment. Under the Plan, employees may generally contribute between 2% to 16% of their salary; however, not in excess of IRS limitations. The Institute provides a 100% matching contribution up to 4% of each employee’s salary. The Institute contributed \$4,461,400 and \$4,260,600 on behalf of eligible employees to the Plan in 2015 and 2014, respectively. Amounts payable at December 31, 2015 and 2014 totaled \$148,100 and \$126,600, respectively, and are included in the current portion of accrued pension and other benefits in the accompanying consolidated statements of financial position.

The Institute has established a Defined Contribution Retirement Plan under which it makes contributions to accounts established for each employee according to a predetermined schedule of contributions. The employee’s retirement benefit is the value of the account. All contributions under the Defined Contribution Retirement Plan are made by the Institute and are not funded through salary deductions (employee contributions). Vesting occurs at the completion of each year of service at a rate of 25% per year until 100% after four years. The Institute contributed \$8,653,300 and \$8,155,400 in 2015 and 2014, respectively. Amounts payable at December 31, 2015 and 2014 totaled \$305,400 and \$65,200, respectively, and are included in the current portion of accrued pension and other benefits in the accompanying consolidated statements of financial position.

Effective September 1, 2002, the Institute implemented a 457(b) plan for those highly compensated employees who have reached the IRS maximum 401(k) contribution for the year. These employees have the option of continuing their contributions up to the maximum dollar amount under section 457(e) (15) of the Internal Revenue Code of 1986, as amended. All other criteria for eligibility follow the same guidelines as the 401(k) plan. The amounts of \$3,779,200 and \$3,670,200 pertaining to obligations due under the 457(b) plan are accrued and included in accrued pension and other employee benefits at December 31, 2015 and 2014, respectively, and the related 457(b) plan assets are included in investments on the accompanying consolidated statements of financial position.

NOTE 8. ADDITIONAL INFORMATION PRESENTED BY ACTIVITY

The following presents the Institute’s consolidated financial results presented in a traditional surplus or loss format for the years ended December 31, 2015 and 2014. Please note that this format differs from the accompanying consolidated statements of activities on pages 38 and 39 which present the financial results by the types of products and services sold. The surplus and loss presents the same data pertaining to the nature of activities.

	2015		(Unaudited) 2014	
Net Revenues	\$	435,137,600	\$	430,844,800
Less: Cost of goods sold		207,469,600		213,518,100
Direct Contribution to surplus/(loss)	\$	227,668,000	\$	217,326,700
Expenses:				
Selling	\$	30,068,600	\$	29,598,500
Marketing		27,367,400		24,499,900
Product design		5,545,800		5,511,000
Supporting services		161,845,000		150,678,300
Contribution to surplus	\$	2,841,200	\$	7,039,000
Public imperatives, net		(12,813,500)		(14,301,400)
Nonoperating activities:				
Investment (loss)/income	\$	(6,406,200)	\$	21,409,800
Pension credit/(expense)		3,004,900		(9,762,600)
Net surplus/(loss)	\$	(13,373,600)	\$	4,384,800

A description of each line item is discussed below:

Revenues: Net earnings from the sales of products and services.

Cost of Goods Sold: Direct costs incurred in producing or providing products and services that are sold and generate revenue.

Selling: Expenses incurred in the effort to sell products or services, includes commissions and other related expenses.

Marketing: Expenses incurred in an effort to possibly generate additional sales of existing products or services, including brand awareness, promotions, displays, and media.

Product Design: Expenses incurred in relation to developing new products and services to be sold in the future.

Supporting services: This is also referred to as general and administrative expenses. This caption includes operational support and shared services. Operational support includes expenses that are indirectly related to the sale of products and services which generate revenue (e.g. costs associated with conference and event management, volunteer engagement and executive or governance functions). Shared services include general overhead such as, Human Resources, Finance, Information technology, Facilities and other related expenses. The presentation of supporting services, as reported on pages 38 and 39, reflects an allocation of such costs amongst the lines of operation specifically benefited.

Public Imperatives: Public imperatives are outreach and public awareness efforts to inform the public and members about technology and the engineering profession.

NOTE 9. NET ASSETS AND ENDOWMENT FUNDS

Temporarily restricted net assets are available for the following purposes at December 31, 2015 and 2014:

	2015		2014	
Grant funds held for specific purposes	\$	1,090,500	\$	943,700
Funds held for awards, medals and other specific purposes		710,700		727,800
	\$	1,801,200	\$	1,671,500

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes for the years ended December 31, 2015 and 2014 as follows:

	2015		2014	
Grant funds released for specific purposes	\$	388,900	\$	407,500
Funds released for awards, medals and other specific purposes		13,700		8,700
	\$	402,600	\$	416,200

Permanently restricted net assets at December 31, 2015 and 2014 consist of assets that have been restricted by donors to be invested in perpetuity to provide a permanent source of income. The Institute’s donor-restricted endowment consists of eleven (11) individual funds established principally for awards.

On September 17, 2010, the State of New York passed the New York State Prudent Management of Institutional Funds Act (“NYPMIFA”), its version of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). All not-for-profit organizations formed in New York must apply this law. The Institute classifies as permanently restricted net assets, unless otherwise stipulated by the donor: (a) the original value of gifts donated to its permanent endowment, (b) the original value of subsequent gifts to its permanent endowment and (c) accumulations to its permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the funds.

The remaining portion of the donor-restricted endowment fund not classified in permanently restricted net assets is classified as temporarily restricted net assets until such amounts are appropriated for expenditure by the Institute in a manner consistent with the uses, benefits, purposes and duration for which the endowment is established and the standard of prudence prescribed by NYPMIFA.

In accordance with NYPMIFA, the Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the purpose, duration, and preservation of the endowment fund; expected total return on endowment investments; general economic conditions; the possible effects of inflation and deflation; other resources of the Institute; and, the investment policy of the Institute.

The Institute has adopted investment management and spending policies for its endowment assets which totaled \$508,600 and \$525,700 as of December 31, 2015 and 2014, respectively. This supports the objective of providing a sustainable and increasing level of endowment income distribution to support the Institute’s activities while seeking to maintain the purchasing power of the endowment assets. The Institute’s primary investment objective is to maximize total return within reasonable and prudent levels of risk while maintaining sufficient liquidity to meet disbursement needs and ensure preservation of capital.

To satisfy its long-term rate-of-return objectives, the Institute relies on a total return strategy, the objective of which is to achieve a return consisting of a combination of current income and capital appreciation, without regard to an emphasis on either, recognizing that changes in market conditions and interest rates will result in varying strategies in an attempt to optimize results. The endowment portfolio is diversified among various investment classes and strategies to help reduce risk.

The following table summarizes the Institute’s total return on endowment investments and the changes in endowment net assets for the year ended December 31, 2015:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	\$ -	\$ 317,200	\$ 191,400	\$ 508,600
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment assets, beginning of year	\$ -	\$ 334,300	\$ 191,400	\$ 525,700
Dividends and interest	-	7,000	-	7,000
Net realized and unrealized depreciation				
in fair value of endowment assets	-	(10,700)	-	(10,700)
New gifts and pledges	-	-	-	-
Endowment return used for operations	-	(13,400)	-	(13,400)
Endowment assets, end of year	\$ -	\$ 317,200	\$ 191,400	\$ 508,600

The following table summarizes the Institute’s total return on endowment investments and the changes in endowment net assets for the year ended December 31, 2014:

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	\$ -	\$ 334,300	\$ 191,400	\$ 525,700
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment assets, beginning of year	\$ -	\$ 323,100	\$ 191,400	\$ 514,500
Dividends and interest	-	6,500	-	6,500
Net realized and unrealized appreciation				
in fair value of endowment assets	-	13,100	-	13,100
New gifts and pledges	-	-	-	-
Endowment return used for operations	-	(8,400)	-	(8,400)
Endowment assets, end of year	\$ -	\$ 334,300	\$ 191,400	\$ 525,700

NOTE 10. COMMITMENTS AND CONTINGENCIES

Operating Leases

At December 31, 2015, minimum rental commitments due under noncancelable operating leases for office space and computer equipment are as follows:

Year	Amount
2016	\$ 2,829,900
2017	2,698,600
2018	2,410,300
2019	1,542,700
2020	1,254,600
Thereafter	6,292,800
	\$ 17,028,900

The leases for the office space are subject to escalation. Total rent expense for noncancelable operating leases amounted to \$4,060,800 and \$4,018,100 in 2015 and 2014, respectively.

Letters of Credit

At December 31, 2015, the Institute had irrevocable standby letters of credit with Wells Fargo Bank, N.A., in the amounts of \$583,000, which serve as security deposits as required by the terms of its lease agreements with Three Park Avenue Building Company, LP and 2001 L Street, LLC, respectively. 191 II MSP L Street LLC lease expired in November 2015 and therefore the letter of credit of \$45,100 was terminated.

As of December 31, 2015, the Institute had issued standby letters of credit in relation to certain dealers agreements totaling \$108,200 with HSBC Bank USA, N.A. The Institute is charged 2% of the face amount, upon issuance, of the standby letters of credit.

Litigation

The Institute, in the normal course of its operations, is a party to various legal proceedings and complaints, some of which are covered by insurance. While it is not feasible to predict the ultimate outcomes of such matters, management of the Institute is not aware of any claims or contingencies, which are not covered by insurance, that would have a material adverse effect on the Institute’s consolidated financial position, changes in net assets or cash flows.

NOTE 11. RELATED-PARTY TRANSACTIONS

IEEE Foundation, Incorporated

The Institute has transactions with IEEE Foundation, Incorporated (the “Foundation”), a related organization, which performs activities in support of the scientific and educational functions and programs of the Institute. The Institute made cash contributions of \$356,500 and \$445,000 in 2015 and 2014, respectively, to the Foundation. The Institute contributed \$766,000 to the Foundation’s IEEE-Eta Kappa Nu Restricted Fund during 2014.

The Foundation has no staff and thus, receives certain accounting and administrative services from IEEE. The Foundation reimbursed IEEE for the cost of such services, which amounted to \$712,200 and \$685,900 during 2015 and 2014, respectively. The Institute provided fundraising administrative services (contributed services) during 2015 and 2014 that were not reimbursed by the Foundation, that were valued at \$1,129,100 and \$899,000 during 2015 and 2014, respectively.

The Institute held on deposit \$39,721,100 and \$40,634,500 from the Foundation at December 31, 2015 and 2014, respectively, and is separately reported on the accompanying consolidated statements of financial position. The Institute invests these amounts on behalf of the Foundation. Receivables due from the Foundation include grants receivable of \$1,507,900 and \$599,100 at December 31, 2015 and 2014, respectively, and other receivables of \$221,100 and \$60,600 at December 31, 2015 and 2014, respectively, and are included in accounts receivable on the accompanying consolidated statements of financial position. Amounts due to the Foundation of \$150,500 and \$370,600 at December 31, 2015 and 2014, respectively, are included in accounts payable and accrued expenses on the accompanying consolidated statements of financial position.

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