

**THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
ENGINEERS, INCORPORATED**

Piscataway, New Jersey

**CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025 and 2024

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
ENGINEERS, INCORPORATED  
Piscataway, New Jersey

CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025 and 2024

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
The Institute of Electrical and Electronics Engineers, Incorporated

***Opinion***

We have audited the consolidated financial statements of The Institute of Electrical and Electronics Engineers, Incorporated and subsidiaries (collectively, the "Institute"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Institute as of December 31, 2025 and 2024, 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.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Institute and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for one year from the date the consolidated financial statements are available to be issued.

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## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

  
Crowe LLP

New York, New York  
May 21, 2026

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
ENGINEERS, INCORPORATED  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 30,661,500	\$ 22,282,100
Accounts receivable, less allowance for credit losses of \$1,903,200 in 2025 and \$838,300 in 2024	64,327,500	92,671,400
Prepaid expenses and other assets	24,217,500	15,297,200
Investments, at fair value	1,437,548,200	1,279,684,700
Investments - other	3,779,900	3,605,100
Income tax receivable	13,800	17,400
Total current assets	<u>1,560,548,400</u>	<u>1,413,557,900</u>
Noncurrent assets		
Land, buildings and equipment, net	27,051,800	25,842,100
Right of use of assets - operating	15,577,200	7,784,800
Right of use of assets - finance	97,300	22,900
Deferred tax assets	166,100	118,600
Total assets	<u>\$1,603,440,800</u>	<u>\$1,447,326,300</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 93,026,100	\$ 112,797,700
Current lease obligations - operating	2,636,000	2,507,900
Current lease obligations - finance	900	11,000
Accrued pension and other employee benefits	973,800	839,000
Amounts held on behalf of IEEE Foundation, Incorporated	72,199,500	66,931,200
Deferred revenue	150,075,700	121,951,800
Total current liabilities	<u>318,912,000</u>	<u>305,038,600</u>
Noncurrent liabilities		
Lease obligations - operating	13,125,400	4,918,900
Lease obligations - finance	91,700	11,800
Accrued pension and other employee benefits	13,474,600	12,703,300
Total liabilities	<u>345,603,700</u>	<u>322,672,600</u>
Commitments and contingencies		
Net assets		
Without donor restrictions		
Undesignated	1,252,547,700	1,118,337,300
Board-designated fund	1,021,000	3,526,700
Total without donor restrictions	<u>1,253,568,700</u>	<u>1,121,864,000</u>
With donor restrictions	4,268,400	2,789,700
Total net assets	<u>1,257,837,100</u>	<u>1,124,653,700</u>
Total liabilities and net assets	<u>\$1,603,440,800</u>	<u>\$1,447,326,300</u>

See accompanying notes to consolidated financial statements.

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
ENGINEERS, INCORPORATED  
CONSOLIDATED STATEMENT OF ACTIVITIES  
Year ended December 31, 2025 (with comparative total for 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
<b>Revenues</b>				
Memberships	\$ 61,139,900	\$ -	\$ 61,139,900	\$ 62,600,300
Periodicals	321,490,400	-	321,490,400	288,176,100
Conferences	229,754,500	-	229,754,500	243,690,400
Standards	45,431,100	-	45,431,100	48,178,300
Public imperatives	4,558,600	2,276,800	6,835,400	3,604,800
Other income	1,179,200	-	1,179,200	126,000
Net assets released from restrictions	1,426,700	(1,426,700)	-	-
Total revenues	<u>664,980,400</u>	<u>850,100</u>	<u>665,830,500</u>	<u>646,375,900</u>
<b>Expenses</b>				
Program services				
Memberships	134,578,400	-	134,578,400	116,642,400
Periodicals	216,820,000	-	216,820,000	195,372,700
Conferences	229,492,300	-	229,492,300	199,514,600
Standards	53,580,800	-	53,580,800	53,895,500
Public imperatives	27,508,300	-	27,508,300	17,461,500
Total program services	<u>661,979,800</u>	<u>-</u>	<u>661,979,800</u>	<u>582,886,700</u>
Supporting services				
In-Kind contribution	1,981,400	-	1,981,400	1,901,600
General and administrative	19,354,500	-	19,354,500	15,888,200
Total expenses	<u>683,315,700</u>	<u>-</u>	<u>683,315,700</u>	<u>600,676,500</u>
<b>Changes in net assets before nonoperating activities</b>	(18,335,300)	850,100	(17,485,200)	45,699,400
<b>Nonoperating activities</b>				
Investment gain, net	149,787,900	628,600	150,416,500	90,505,900
Pension and related benefits activity other than net periodic benefit cost	204,900	-	204,900	222,800
Gain on insurance recoveries	-	-	-	116,200
<b>Changes in net assets before income tax</b>	131,657,500	1,478,700	133,136,200	136,544,300
Benefit for income taxes	47,200	-	47,200	50,600
<b>Changes in net assets</b>	131,704,700	1,478,700	133,183,400	136,594,900
Net assets, beginning of year	<u>1,121,864,000</u>	<u>2,789,700</u>	<u>1,124,653,700</u>	<u>988,058,800</u>
<b>Net assets, end of year</b>	<u>\$ 1,253,568,700</u>	<u>\$ 4,268,400</u>	<u>\$ 1,257,837,100</u>	<u>\$ 1,124,653,700</u>

See accompanying notes to consolidated financial statements.

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
ENGINEERS, INCORPORATED  
CONSOLIDATED STATEMENT OF ACTIVITIES  
Year ended December 31, 2024

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	Total <u>2024</u>
<b>Revenues</b>			
Memberships	\$ 62,600,300	\$ -	\$ 62,600,300
Periodicals	288,176,100	-	288,176,100
Conferences	243,690,400	-	243,690,400
Standards	48,178,300	-	48,178,300
Public imperatives	3,257,300	347,500	3,604,800
Other income	126,000	-	126,000
Net assets released from restrictions	<u>237,600</u>	<u>(237,600)</u>	-
Total revenues	646,266,000	109,900	646,375,900
<b>Expenses</b>			
Program services			
Memberships	116,642,400	-	116,642,400
Periodicals	195,372,700	-	195,372,700
Conferences	199,514,600	-	199,514,600
Standards	53,895,500	-	53,895,500
Public imperatives	<u>17,461,500</u>	-	<u>17,461,500</u>
Total program services	582,886,700	-	582,886,700
Supporting services			
In-kind contribution	1,901,600	-	1,901,600
General and administrative	<u>15,888,200</u>	-	<u>15,888,200</u>
Total expenses	<u>600,676,500</u>	-	<u>600,676,500</u>
<b>Changes in net assets before nonoperating activities</b>	45,589,500	109,900	45,699,400
<b>Nonoperating activities</b>			
Investment gain, net	90,420,800	85,100	90,505,900
Pension and related benefits activity other than net periodic benefit cost	222,800	-	222,800
Gain on insurance recoveries	<u>116,200</u>	-	<u>116,200</u>
<b>Changes in net assets before income tax</b>	136,349,300	195,000	136,544,300
Benefit for income taxes	<u>50,600</u>	-	<u>50,600</u>
<b>Changes in net assets</b>	136,399,900	195,000	136,594,900
Net assets, beginning of year	<u>985,464,100</u>	<u>2,594,700</u>	<u>988,058,800</u>
<b>Net assets, end of year</b>	<u>\$ 1,121,864,000</u>	<u>\$ 2,789,700</u>	<u>\$ 1,124,653,700</u>

See accompanying notes to consolidated financial statements.

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
ENGINEERS, INCORPORATED  
CONSOLIDATED STATEMENTS OF CASH FLOW  
Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities</b>		
Changes in net assets	\$ 133,183,400	\$ 136,594,900
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	7,781,600	8,464,100
Finance lease amortization	970	11,700
Realized and unrealized gains on investments	(113,206,600)	(56,998,800)
Credit loss expense	1,337,300	409,100
Changes in assets and liabilities		
Change in operating right-of-use asset and lease liabilities, net	542,200	(291,000)
Accounts receivable	27,006,600	(28,860,100)
Prepaid expenses and other assets	(8,920,300)	1,067,000
Deferred tax assets	(47,500)	(51,000)
Income tax receivable	3,600	(17,400)
Accounts payable and accrued expenses	(20,039,900)	24,930,000
Accrued pension and other employee benefits	906,100	(540,200)
Amounts held on behalf of IEEE Foundation, Incorporated	5,268,300	1,822,200
Deferred revenue	28,123,900	3,290,400
Net cash from operating activities	<u>61,939,670</u>	<u>89,830,900</u>
<b>Cash flows from investing activities</b>		
Proceeds from sales of investments	391,435,200	759,682,900
Purchases of investments	(431,161,900)	(836,474,300)
Other investing activities	(5,105,000)	(2,744,400)
Purchase of land, buildings and equipment	(8,991,200)	(7,811,200)
Net cash from investing activities	<u>(53,822,900)</u>	<u>(87,347,000)</u>
<b>Cash flows from financing activities</b>		
Change in cash overdraft	268,200	(209,700)
Payment of finance lease obligations	(5,570)	(11,800)
Net cash from financing activities	<u>262,630</u>	<u>(221,500)</u>
<b>Net increase in cash and cash equivalents</b>	8,379,400	2,262,400
Cash and cash equivalents, beginning of year	<u>22,282,100</u>	<u>20,019,700</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 30,661,500</u>	<u>\$ 22,282,100</u>
<b>Supplemental data:</b>		
Purchases of fixed assets included in accounts payable and accrued expenses	<u>\$ 681,200</u>	<u>\$ 289,900</u>
<b>Supplemental disclosure of non-cash activities</b>		
Recognizing of right of use of assets and lease liabilities under ASC 842	<u>\$ 10,841,200</u>	<u>\$ 2,901,700</u>

See accompanying notes to consolidated financial statements.

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
ENGINEERS, INCORPORATED  
NOTES TO CONSOLIDATED TO FINANCIAL STATEMENTS  
December 31, 2025 and 2024

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**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 by members and volunteer communities organized as regions, sections, chapters, societies, and councils, none of which are separately incorporated, and their financial results are incorporated in the Institute’s accompanying consolidated financial statements. These units are aligned to serve the technical interests of members and to coordinate local activities of the sections and the broader activities of the Institute. Societies and councils promote the technical interests of their members through symposia, conferences, various publications, and the development of standards.

The consolidated financial statements include the accounts of IEEE, Inc., Global IEEE Institute for Engineers, Inc., IEEE Global LLC, IEEE International LLC, IEEE Europe GmbH, IEEE Latin America SA, IEEE Broadcast Technology Convention LLC, IEEE Worldwide Limited, IEEE Asia-Pacific Limited, and IEEE Technology Center GmbH.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation: The Institute’s consolidated financial statements are presented in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and have been prepared on the accrual basis of accounting. All intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements.

Cash and Cash Equivalents: Cash and cash equivalents are defined as cash balances held in bank accounts and highly liquid 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 alternative investments (e.g., commingled funds) that are not readily marketable are reported at fair value as determined by the respective investment managers as of the reporting date. The Institute follows guidance on measuring the fair value of alternative investments, which offers investors a practical expedient for measuring the fair value of investments in certain entities that calculate net asset value (“NAV”). Under this practical expedient, entities are permitted to use NAV without adjustment for 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. Additionally, the Institute follows guidance that removes the requirement to categorize, within the fair value hierarchy, all investments for which the fair value is measured using NAV.

Such valuations involve assumptions and methods that are reviewed by the Institute and 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.

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THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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NOTES TO CONSOLIDATED TO FINANCIAL STATEMENTS  
December 31, 2025 and 2024

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 statements 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 to maturity with original maturities greater than three months that are not debt securities and are carried at amortized cost.

Fair Value Measurements: The Institute follows guidance that defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This guidance provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The guidance 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 includes 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.

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.

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 excess 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 the performance thereof. At December 31, 2025, and 2024, the Institute maintains accounts with four and seven financial institutions with balances exceeding the FDIC limit, respectively.

Accounts Receivable and Allowance for Credit Losses: Accounts receivable are stated at the amount the Institute expects to collect on outstanding balance. In general, the Institute reviews a customer’s credit history before extending credit. The Institute maintains allowances for credit losses 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.

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(Continued)

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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NOTES TO CONSOLIDATED TO FINANCIAL STATEMENTS  
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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

The Institute determines its allowance for credit losses by specifically analyzing individual accounts receivable, historical collection information, 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. The Institute believes that all accounts receivable balance at December 31, 2025, and 2024 are collectible within one year.

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. Additions and improvements costing more than \$5,000 and with useful lives greater than three years are capitalized. Maintenance and repairs are expensed as incurred.

Assets acquired under finance 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.

During fiscal year 2020, the Institute began the process of updating its financial system and moving to an integrated, cloud-based platform for financial recording and reporting (including contracts, banking, and expense reporting). This implementation was completed in 2021. The Institute capitalized implementation costs relating to such financial system upgrade in accordance with FASB Accounting Standards Update (“ASU”) 2018-15, Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract, and such costs are reflected in the “Software” and “Information systems upgrade in process” lines of Note 5 for 2025 and 2024.

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

	<u>Years</u>
Buildings	20 - 40
Building improvements	10 - 15
Furniture, equipment and vehicles	5 - 10
Software and information systems	3 - 5
Computers	3

Leases, Right of Use Assets and Lease Liabilities: At the inception of an arrangement, the Institute determines if an arrangement is a lease based on all relevant facts and circumstances. Leases are classified as operating or finance leases at the lease commencement date. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Leases with a term of 12 months or less (short-term leases) are not recorded on the consolidated statement of financial position.

Right of use (“ROU”) assets represent the Institute’s right to use the underlying assets for the lease term and lease liabilities represent the net present value of the Institute’s obligation to make payments arising from these leases. The lease liabilities are based on the present value of fixed lease payments over the lease term using the implicit lease interest rate or, when unknown, the Institute 's incremental borrowing rate on the lease commencement date or January 1, 2022 for leases that commenced prior to that date.

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(Continued)

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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NOTES TO CONSOLIDATED TO FINANCIAL STATEMENTS  
December 31, 2025 and 2024

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

If the lease includes one or more options to extend the term of the lease, the renewal option is considered in the lease term if it is reasonably certain the Institute will exercise the options. Operating lease expense is recognized on a straight-line basis over the term of the lease. As permitted by ASC 842, leases with an initial term of twelve months or less ("short-term leases") are not recorded on the accompanying balance sheet.

The Institute has lease agreements with lease and non-lease components, which are accounted for as a single lease component under the practical expedient provisions of the standard. The Institute has lease agreements with terms less than one year. For the qualifying short-term leases, the Institute elected the short-term lease recognition exemption in which the Institute will not recognize ROU assets or lease liabilities, including the ROU assets or lease liabilities for existing short-term leases of those assets in upon adoption.

Variable lease payments consist primarily of common area maintenance, utilities, and taxes, which are not included in the recognition of ROU assets and related lease liabilities. The Institute's lease agreements do not contain material restrictive covenants.

Accounts Payable and Accrued Expenses: Cash overdrafts are included in accounts payable and accrued expenses.

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:

*Without donor restrictions* - net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by actions of the Board of Directors. Net assets without donor restrictions can be utilized to carry out any of the purposes of the Institute.

Included within net assets without donor restrictions are balances of \$1,021,000 and \$3,526,700 as of December 31, 2025, and 2024, respectively, relating to funds that were designated by the Board of Directors for the sole purpose of upgrading the Institute's financial systems and processes.

*With donor restrictions* – as of December 31, 2025, and 2024, net assets with donor restrictions totaled \$4,268,400 and \$2,789,700, respectively. These balances represent amounts restricted by donors for specific activities of the Institute or to be used at some future date. The Institute records contributions as net assets with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the consolidated statements 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 net assets without donor restrictions.

Another portion of net assets with donor restrictions 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").

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THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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NOTES TO CONSOLIDATED TO FINANCIAL STATEMENTS  
December 31, 2025 and 2024

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Operating Measure: The Institute classifies its consolidated statements of activities into operating and nonoperating activities. Operating activities include all income and expenses related to carrying out the Institute’s mission. Nonoperating 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 items considered to be unusual or of a non-recurring nature.

Revenue: In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606, Revenue from Contracts with Customers (“ASC 606”), the Institute recognizes revenue when control of the promised goods or services are transferred to the Institute’s customers in an amount that reflects the consideration the Institute expects to be entitled to in exchange for those goods or services, as outlined in Note 3. The standard outlines a five-step model whereby revenue is recognized as performance obligations within which a contract is satisfied.

Public Imperatives: Public imperative revenues primarily consist of grants and contributions, including unconditional promises to give. Grants and 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 are social good activities that are directed at the public and not an individual or small group of individuals. They are generally related to the promotion of the public’s understanding and appreciation of the Institute’s fields of interest and/or positioning the Institute’s technical expertise in ways to benefit humanity. Typically, these activities are not expected to create a financial surplus but rather are funded by the surplus of other activities.

Public imperative revenues primarily consist of IEEE-USA Assessments, History Center, and Foundation related activities.

Public imperative expenses consist of History Center, grants, certain IEEE-USA activities, and educational activities, initiatives, honors ceremonies, presentations, and some Society activities.

Contributed Services (In-kind Contribution): Contributed services are recognized as expenses for services that create or enhance nonfinancial assets of IEEE Foundation, Incorporated (the “IEEE Foundation”), require specialized skills, are provided by individuals possessing those skills and typically would need to be purchased if not otherwise provided by donation. Contributed services are recorded at the fair value of the services provided and are recorded on the statement of activities as expenses in the period incurred. See also Note 12.

IEEE Foundation is a related organization, which works side by side with its donors and the Institute to unleash exciting, thoughtful, and impactful programming that advances technology for the benefit of humanity since 1973.

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(Continued)

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Income Taxes and Tax Status:

a. Uncertain Tax Positions

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)(2) of the Code. Nevertheless, the Institute is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code.

The Institute follows guidance that 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. As of December 31, 2025, and 2024, management has determined that there are no significant uncertain tax positions that would require recognition or disclosure in the accompanying consolidated financial statements.

b. The Institute’s Income Tax Provision

The Institute generates revenue from unrelated business income activities and files federal Form 990-T and associated equivalent state unrelated business income tax returns. The Institute has historical losses and tracks federal Net Operating Losses (“NOLs”) in two separate categories: NOLs generated prior to January 1, 2018 (“pre-TCJA”), which can be carried forward up to 20 years, and NOLs generated after December 31, 2017 (“post-TCJA”), which can be carried forward indefinitely.

For the year ending December 31, 2025, the Institute generated current year losses of \$2,151,000 resulting in cumulative federal NOLs of \$11,443,000 which is comprised of \$4,156,000 pre-TCJA and \$7,287,000 post-TCJA. The Institute also has cumulative state NOLs of \$2,070,000 carryforward periods ranging from 12 years to indefinite lived.

For the year ending December 31, 2024, the Institute generated current year losses of \$2,859,000 resulting in cumulative federal NOLs of \$9,201,000, which is comprised of \$4,156,000 pre-TCJA and \$5,045,000 post-TCJA. The Institute also has cumulative state NOLs of \$1,421,000 carryforward periods ranging from 12 years to indefinite lived.

Deferred income taxes are recognized for the temporary differences between the tax basis of assets and liabilities and financial-reporting amounts at each year-end, taking into consideration enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are recognized if, based on the weight of available evidence, it is more likely than not that all or some portion of any deferred tax asset will not be realized. The benefit or provision for income tax represents the income tax benefit or payable for the year and the change in deferred tax assets and liabilities during the period.

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(Continued)

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

As of December 31, 2025, and 2024, the Institute's deferred tax asset with respect to its NOL from unrelated business activities had total balances of \$166,100 and \$118,600, respectively, reflecting a full valuation allowance booked against its federal deferred tax asset. The Institute booked the respective valuation allowances against the deferred tax assets since there is no expectation the Institute will utilize these benefits in the foreseeable future.

The Institute's deferred tax assets are netted with deferred tax liabilities on the accompanying 2025 and 2024 consolidated statements of financial position.

c. Income Tax Provisions of For-Profit Subsidiaries

IEEE, Inc., a subsidiary of the Institute, is considered a for-profit entity under the Code. Management is maintaining a full valuation allowance against the net deferred tax assets for IEEE, Inc.

d. Consolidated Income Tax Provision

For the years ended December 31, 2025 and 2024, the benefit for income taxes consisted of the following:

	<u>2025</u>	<u>2024</u>
Current State	\$ 400	\$ 400
	400	400
Deferred State	(47,600)	(51,000)
	(47,600)	(51,000)
Benefit for income taxes	\$ (47,200)	\$ (50,600)

For the year ended December 31, 2025, the Institute's consolidated income tax benefit is \$47,200, which is from associated state activities. For the year ended December 31, 2024, the Institute's consolidated income tax benefit is \$50,600, which is from associated state activities.

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.

Reclassifications: Certain reclassifications have been made to the December 31, 2024 financial statements to conform to the December 31, 2025 presentation. There was no impact to net assets or change in net assets as a result of the reclassifications.

Subsequent Events: The Institute evaluated its December 31, 2025 consolidated financial statements for subsequent events through May 21, 2026, the date the consolidated financial statements were available to be issued. The Institute is not aware of any other material subsequent events which would require recognition or disclosure in the accompanying consolidated financial statements.

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THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 3 – REVENUE RECOGNITION**

Membership Dues: The Institute offers membership for term of one year. The Institute satisfies its performance obligation and recognizes revenue evenly over the membership term as its members simultaneously receive and consume the benefits over that timeframe. Generally, membership does not commence until after the Institute receives payment.

Payments received for membership dues in advance of the Institute satisfying its performance obligation are recorded within deferred revenue in the accompanying consolidated statements of financial position. The changes in deferred revenue relating to membership dues were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

Periodicals: Periodicals revenues primarily include subscriptions and online products and content. Such revenues are recognized upon delivery of the online product or content or over the related subscription period.

Payments received for periodicals and media agreements in advance of the Institute satisfying its performance obligations are recorded within deferred revenue in the accompanying consolidated statements of financial position and recognized as revenue in future periods as performance obligations are satisfied. The changes in deferred revenue were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

For the years ended December 31, 2025 and 2024, the Institute recognized 100% of the periodicals revenues over time, respectively.

Conferences: Conference revenues primarily include registration and sponsorships and also includes the conference proceedings and published articles related to respective conferences. Revenues from conference registration and sponsorships are recognized when the conferences take place. Revenues from conference proceedings and articles are recognized in the period in which they are sold.

Payments received for conferences in advance of the Institute satisfying its performance obligation are recorded within deferred revenue in the accompanying consolidated statements of financial position and recognized as revenue in future periods as performance obligations are satisfied. The changes in deferred revenue were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

Standards: Standards revenues primarily include subscriptions, publications and online products and content relating to technology standards. Such revenues are recognized upon delivery of the online products or content or over the related subscription period.

Payments received for standards agreements in advance of the Institute satisfying its performance obligation are recorded within deferred revenue in the accompanying consolidated statements of financial position and recognized as revenue in future periods as performance obligations are satisfied. The changes in deferred revenue were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

For the year ended December 31, 2025, approximately 34% and 66% of standards revenue were recognized “over time” and at “point-in-time,” respectively. For the year ended December 31, 2024, approximately 35% and 65% of standards revenue were recognized “over time” and at “point-in-time,” respectively.

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THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 3 – REVENUE RECOGNITION** (Continued)

Accounts Receivable: Accounts receivable relating to the above revenues consist of the following:

	<u>2025</u>	<u>2024</u>
Periodicals and standards	\$ 36,796,900	\$ 29,567,600
Conferences	25,456,700	59,898,900
Other	3,977,100	4,043,200
Total accounts receivable	66,230,700	93,509,700
Less: allowance for credit losses	(1,903,200)	(838,300)
Accounts receivable, net of allowance for credit losses	\$ 64,327,500	\$ 92,671,400

Deferred Revenue: Deferred revenue from contracts with customers represents payments received in advance for which services have not been performed as of December 31, 2025 and 2024. The following tables present contract balances along with activities for deferred revenue as of and for the years ending December 31, 2025 and 2024:

	Balance at January 1, <u>2025</u>	Revenue Recognized <u>2025</u>	Cash Received In Advance of Performance	Balance at December 31, <u>2025</u>
Membership dues	\$ 33,030,100	\$ (33,030,100)	\$ 32,602,600	\$ 32,602,600
Periodicals	86,043,700	(86,043,700)	104,284,600	104,284,600
Conferences	570,200	(570,200)	10,888,500	10,888,500
Standards	2,307,800	(2,307,800)	2,300,000	2,300,000
	\$ 121,951,800	\$ (121,951,800)	\$ 150,075,700	\$ 150,075,700
	\$ 121,951,800	\$ (121,951,800)	\$ 150,075,700	\$ 150,075,700
	\$ 121,951,800	\$ (121,951,800)	\$ 150,075,700	\$ 150,075,700

  

	Balance at January 1, <u>2024</u>	Revenue Recognized <u>2024</u>	Cash Received In Advance of Performance	Balance at December 31, <u>2024</u>
Membership dues	\$ 32,299,200	\$ (32,299,200)	\$ 33,030,100	\$ 33,030,100
Periodicals	82,989,500	(82,989,500)	86,043,700	86,043,700
Conferences	1,041,800	(1,041,800)	570,200	570,200
Standards	2,330,900	(2,330,900)	2,307,800	2,307,800
	\$ 118,661,400	\$ (118,661,400)	\$ 121,951,800	\$ 121,951,800

(Continued)

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 4 – INVESTMENTS**

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

	December 31, 2025		
	Level 1	Net Asset Value	Total
Common stock			
Consumer	\$ 22,071,700	\$ -	\$ 22,071,700
Technology	144,169,100	-	144,169,100
Financial services	43,583,000	-	43,583,000
Healthcare	57,543,900	-	57,543,900
Industrials	45,123,300	-	45,123,300
Energy	14,577,700	-	14,577,700
Other	18,972,800	-	18,972,800
Total common stock	346,041,500	-	346,041,500
Mutual funds:			
Growth funds	1,102,300	-	1,102,300
Fixed income funds	278,579,000	-	278,579,000
Money market funds	216,791,700	-	216,791,700
Other funds	294,262,800	-	294,262,800
Total mutual funds	790,735,800	-	790,735,800
U.S. government securities	95,663,000	-	95,663,000
Commingled funds	-	200,526,000	200,526,000
	\$ 1,232,440,300	\$ 200,526,000	1,432,966,300
Cash held for investment			4,761,200
Add: receivables for securities sold and accrued interest			1,127,600
Less: liabilities for securities purchased and accrued fees			(1,306,900)
Total investments, at fair value			\$ 1,437,548,200

(Continued)

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 4 – INVESTMENTS (Continued)**

	December 31, 2024		
	Level 1	Net Asset Value	Total
Common stock			
Consumer	\$ 24,394,100	\$ -	\$ 24,394,100
Technology	120,567,300	-	120,567,300
Financial services	39,685,700	-	39,685,700
Healthcare	45,691,900	-	45,691,900
Industrials	35,700,300	-	35,700,300
Energy	15,556,200	-	15,556,200
Other	17,163,200	-	17,163,200
Total common stock	298,758,700	-	298,758,700
Mutual funds:			
Growth funds	109,701,000	-	109,701,000
Fixed income funds	257,393,800	-	257,393,800
Money market funds	207,556,600	-	207,556,600
Other funds	113,726,800	-	113,726,800
Total mutual funds	688,378,200	-	688,378,200
U.S. government securities	90,744,800	-	90,744,800
Commingled funds	-	154,714,200	154,714,200
	\$ 1,077,881,700	\$ 154,714,200	1,232,595,900
Cash held for investment			46,356,600
Add: receivables for securities sold and accrued interest			1,261,400
Less: liabilities for securities purchased and accrued fees			(529,200)
Total investments, at fair value			\$ 1,279,684,700

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

(Continued)

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 4 – INVESTMENTS (Continued)**

Investments valued at NAV by major category as of December 31, 2025 and 2024 consisted of the following:

December 31, 2025							
Type	Strategy	NAV in Funds	Number of Funds	Remaining Life	\$ Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Commingled funds	One fund seeks to outperform the Russell 2000 Index over a 1 to 3 year period; and two funds seek to maximize portfolio returns while minimizing risk through an asset allocation based on measurements of the investible universe of institutional real estate.	\$ 200,526,000	4	Subject to the determination of the respective fund manager.	N/A	One fund has daily redemption upon notice; and two funds have quarterly redemption with 60 days notice.	N/A

  

December 31, 2024							
Type	Strategy	NAV in Funds	Number of Funds	Remaining Life	\$ Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Commingled funds	One fund seeks to outperform the Russell 2000 Index over a 1 to 3 year period; and two funds seek to maximize portfolio returns while minimizing risk through an asset allocation based on measurements of the investible universe of institutional real estate.	\$ 154,714,200	3	Subject to the determination of the respective fund manager.	N/A	One fund has daily redemption upon notice; and two funds have quarterly redemption with 60 days notice.	N/A

The Institute also held investments, which included certificates of deposits and term deposits, totaling \$3,779,900 and \$3,605,100 as of December 31, 2025 and 2024, respectively, that were 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 income, net, for the years ended December 31, 2025 and 2024, are reflected in the accompanying consolidated statements of activities and consist of the following:

	<u>2025</u>	<u>2024</u>
IEEE		
Interest and dividends, net	\$ 37,209,900	\$ 33,507,100
Net realized and unrealized gains on investments	<u>113,206,600</u>	<u>56,998,800</u>
IEEE investment income, net	<u>\$ 150,416,500</u>	<u>\$ 90,505,900</u>

Investment expenses, which are netted with interest and dividends, amounted to \$2,559,200 and \$1,671,400 in 2025 and 2024, respectively.

(Continued)

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 4 – INVESTMENTS (Continued)**

For the years ended December 31, 2025 and 2024, investment returns related to amounts held on behalf of IEEE Foundation, that have not been reflected in the accompanying consolidated statements of activities, consist of the following:

	<u>2025</u>	<u>2024</u>
IEEE Foundation, Incorporated		
Interest and dividends, net	\$ 1,597,700	\$ 1,509,200
Net realized and unrealized gains on investments	<u>6,173,800</u>	<u>2,959,200</u>
IEEE Foundation investment income, net	<u>\$ 7,771,500</u>	<u>\$ 4,468,400</u>

**NOTE 5 – LAND, BUILDINGS, AND EQUIPMENT, NET**

Land, buildings, and equipment, carried at cost, net of the related accumulated depreciation and amortization, at December 31, 2025 and 2024 consist of the following:

	<u>2025</u>		
	<u>Cost</u>	<u>Accumulated Depreciation and Amortization</u>	<u>Net</u>
Buildings	\$ 17,385,900	\$ 16,607,600	\$ 778,300
Furniture, equipment, vehicles and computers	13,524,200	11,058,300	2,465,900
Software	71,010,800	59,088,500	11,922,300
Building improvements	<u>22,625,000</u>	<u>18,012,100</u>	<u>4,612,900</u>
	124,545,900	104,766,500	19,779,400
Land	836,400	-	836,400
Information systems upgrade in process	<u>6,436,000</u>	<u>-</u>	<u>6,436,000</u>
Total	<u>\$ 131,818,300</u>	<u>\$ 104,766,500</u>	<u>\$ 27,051,800</u>

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(Continued)

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 5 – LAND, BUILDINGS, AND EQUIPMENT, NET** (Continued)

	2024		
	<u>Cost</u>	<u>Accumulated Depreciation and Amortization</u>	<u>Net</u>
Buildings	\$ 17,385,900	\$ 16,411,800	\$ 974,100
Furniture, equipment, vehicles and computers	13,770,300	11,437,400	2,332,900
Software	64,903,100	54,277,300	10,625,800
Building improvements	22,424,000	18,081,800	4,342,200
	118,483,300	100,208,300	18,275,000
Land	836,400	-	836,400
Information systems upgrade in process	6,730,700	-	6,730,700
	836,400	-	836,400
	6,730,700	-	6,730,700
<b>Total</b>	<b>\$ 126,050,400</b>	<b>\$ 100,208,300</b>	<b>\$ 25,842,100</b>

Depreciation and amortization expense amounted to \$7,781,600 and \$8,464,100 for the years ended December 31, 2025 and 2024, respectively.

**NOTE 6 – PENSION AND OTHER POST-RETIREMENT BENEFITS**

The Institute sponsors two qualified pension plans and one nonqualified pension plan and other postretirement 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.

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(Continued)

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 6 – PENSION AND OTHER POST-RETIREMENT BENEFITS (Continued)**

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, 2025, and a statement of the funded status as of December 31, 2025 and 2024:

	Pension Benefits		Other Benefits	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Reconciliation of benefit obligation:				
Obligation at January 1	\$ 57,153,200	\$ 61,683,400	\$ 6,354,400	\$ 6,707,100
Service cost	290,000	290,000	189,700	203,200
Interest cost	2,735,400	2,692,900	325,800	306,000
Actuarial gain (loss)	1,051,700	(3,574,200)	(67,800)	(732,400)
Benefit payments	<u>(4,237,600)</u>	<u>(3,938,900)</u>	<u>(142,800)</u>	<u>(129,500)</u>
Obligation at December 31	<u>\$ 56,992,700</u>	<u>\$ 57,153,200</u>	<u>\$ 6,659,300</u>	<u>\$ 6,354,400</u>
Reconciliation of fair value of plan assets				
Fair value of plan assets at January 1	\$ 58,259,000	\$ 62,420,900	\$ -	\$ -
Actual return on plan assets	4,334,600	(229,700)	-	-
Employer contributions	-	6,600	142,700	129,500
Benefit payments	<u>(4,237,600)</u>	<u>(3,938,900)</u>	<u>(142,700)</u>	<u>(129,500)</u>
Fair value of plan assets at December 31	58,356,000	58,258,900	-	-
Funded status at December 31	<u>1,363,400</u>	<u>1,105,800</u>	<u>(6,659,300)</u>	<u>(6,354,400)</u>
Accumulated benefit obligation	<u>\$ 56,992,600</u>	<u>\$ 57,153,100</u>	<u>\$ 6,659,300</u>	<u>\$ 6,354,400</u>

At December 31, 2025 and 2024, the funded status of the plans is included in accrued pension and other employee benefits on the consolidated statements of financial position as follows:

	Pension Benefits		Other Benefits	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Non-current assets	\$ 1,363,400	\$ 1,105,800	\$ -	\$ -
Current liabilities	-	-	(368,300)	(349,300)
Noncurrent liabilities	<u>-</u>	<u>-</u>	<u>(6,291,000)</u>	<u>(6,005,100)</u>
Net amount recognized	<u>\$ 1,363,400</u>	<u>\$ 1,105,800</u>	<u>\$ (6,659,300)</u>	<u>\$ (6,354,400)</u>

(Continued)

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 6 – PENSION AND OTHER POST-RETIREMENT BENEFITS (Continued)**

Cumulative amounts recognized in changes in net assets without donor restrictions and not yet recognized in net periodic benefit cost as of December 31, 2025 and 2024 consist of:

	Pension Benefits		Other Benefits	
	2025	2024	2025	2024
Net loss (gain)	\$ 6,221,300	\$ 6,433,200	\$ (1,565,900)	\$ (1,572,900)

The following table provides the components of net periodic benefit cost for the plans for 2025 and 2024:

	Pension Benefits		Other Benefits	
	2025	2024	2025	2024
Service cost	\$ 290,000	\$ 290,000	\$ 189,700	\$ 203,200
Interest cost	2,735,400	2,692,900	325,800	305,900
Expected return on plan assets	(3,081,200)	(3,833,300)	-	-
Amortization of net loss	10,200	3,500	(74,900)	(22,000)
Settlement loss	-	(2,300)	-	-
Net periodic benefit cost	\$ (45,600)	\$ (849,200)	\$ 440,600	\$ 487,100

Amounts recognized in changes in net assets without donor restrictions for the years ended December 31, 2025 and 2024 consist of:

	Pension Benefits		Other Benefits	
	2025	2024	2025	2024
Net (loss) gain	\$ (201,800)	\$ 488,700	\$ (67,800)	\$ (732,300)
Amortization of net (loss) gain	(10,200)	(1,200)	74,900	22,000
Pension and related benefits activity other than net periodic benefit cost	\$ (212,000)	\$ 487,500	\$ 7,100	\$ (710,300)

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	
	2025	2024	2025	2024
Weighted-average assumptions as of December 31				
Discount rate	5.23%	5.40%	5.41%	5.48%
Rate of compensation increase	N/A	N/A	N/A	N/A

(Continued)

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 6 – PENSION AND OTHER POST-RETIREMENT BENEFITS** (Continued)

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

	Pension Benefits		Other Benefits	
	2025	2024	2025	2024
Weighted-average assumptions as of December 31				
Discount rate	5.40%	4.74%	5.48%	4.79%
Expected return on plan assets	5.60%	6.50%	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 2025 under the Internal Revenue Service (“IRS”) minimum funding regulations.

IEEE expects to contribute approximately \$6,000 to its nonqualified pension plan and approximately \$341,000 to its other post-retirement benefit plans during 2026.

Expected Benefit Payments:

	<u>Pension</u> <u>Benefits</u>	<u>Other</u> <u>Benefits</u>
2026	\$ 5,753,000	\$ 369,300
2027	4,071,100	377,200
2028	3,961,700	387,900
2029	4,316,800	401,200
2030	4,027,500	408,400
2031-2035	20,119,700	2,204,500

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.

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(Continued)

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 6 – PENSION AND OTHER POST-RETIREMENT BENEFITS** (Continued)

IEEE's pension and post-retirement plan asset allocation at the end of 2025 and 2024, and the target asset allocation for 2025 and 2024 by asset category based on asset fair values are as follows:

<u>Asset Category</u>	<u>Target Asset Allocation</u>	<u>Pension Assets at December 31,</u>		<u>Post-Retirement Assets at December 31,</u>	
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Equity securities	10%	11%	12%	N/A	N/A
Debt securities	90%	88%	88%	N/A	N/A
Cash and cash equivalents	0%	1%	0%	N/A	N/A
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>N/A</b>

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 5.6% in 2025 and 5% in 2024. 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 liability driven investing. The majority of the assets are matched against pension liability.

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 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.

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.

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**NOTE 6 – PENSION AND OTHER POST-RETIREMENT BENEFITS** (Continued)

The following table prioritizes the input used to measure and report the fair value of the Institute's pension plan assets at December 31:

	December 31, 2025			Total
	Level 1	Level 2	Net Asset Value	
Common stock				
Consumer	\$ 132,400	\$ -	\$ -	\$ 132,400
Technology	1,756,700	-	-	1,756,700
Industrials	283,300	-	-	283,300
Healthcare	289,800	-	-	289,800
Financial services	280,000	-	-	280,000
Materials	344,900	-	-	344,900
Energy	70,300	-	-	70,300
Other	32,600	-	-	32,600
Total common stock	<u>3,190,000</u>	<u>-</u>	<u>-</u>	<u>3,190,000</u>
Equity mutual funds	2,929,200	-	-	2,929,200
Corporate bonds	-	36,497,700	-	36,497,700
U.S. government securities	13,440,800	-	-	13,440,800
Municipal bonds	-	660,000	-	660,000
Foreign bonds	-	665,000	-	665,000
Collective trust fund	-	-	351,300	351,300
	<u>\$ 19,560,000</u>	<u>\$ 37,822,700</u>	<u>\$ 351,300</u>	<u>57,734,000</u>
Cash held for investment				
Add: receivables for securities sold and accrued interest				<u>622,000</u>
Total pension plan investments				<u>\$ 58,356,000</u>

(Continued)

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 6 – PENSION AND OTHER POST-RETIREMENT BENEFITS (Continued)**

	December 31, 2024			
	<u>Level 1</u>	<u>Level 2</u>	<u>Net Asset Value</u>	<u>Total</u>
Common stock				
Consumer	\$ 252,600	\$ -	\$ -	\$ 252,600
Technology	2,102,000	-	-	2,102,000
Industrials	288,500	-	-	288,500
Healthcare	304,900	-	-	304,900
Financial services	282,800	-	-	282,800
Materials	73,400	-	-	73,400
Energy	127,400	-	-	127,400
Other	35,400	-	-	35,400
Total common stock	<u>3,467,000</u>	-	-	3,467,000
Equity mutual funds	3,277,700	-	-	3,277,700
Corporate bonds	-	34,525,300	-	34,525,300
U.S. government securities	13,951,000	-	-	13,951,000
Municipal bonds	-	1,444,900	-	1,444,900
Foreign bonds	-	641,700	-	641,700
Collective trust fund	-	-	290,000	290,000
	<u>\$ 20,695,700</u>	<u>\$ 36,611,900</u>	<u>\$ 290,000</u>	57,597,600
Cash held for investment				
Add: receivables for securities sold and accrued interest				<u>661,300</u>
Total pension plan investments				<u>\$ 58,258,900</u>

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

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THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 6 – PENSION AND OTHER POST-RETIREMENT BENEFITS (Continued)**

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. The following table lists such investments by major category as of December 31, 2025 and 2024:

December 31, 2025							
<u>Type</u>	<u>Strategy</u>	<u>NAV in Funds</u>	<u>Number of Funds</u>	<u>Remaining Life</u>	<u>\$ Amount of Unfunded Commitments</u>	<u>Redemption Terms</u>	<u>Redemption Restrictions</u>
Collective trust fund	Seeks the highest level of current income possible consistent with the preservation of capital and maintenance of liquidity.	\$ 351,300	0	Subject to the determination of the respective fund manager.	N/A	Daily redemption, upon notice.	N/A

December 31, 2024							
<u>Type</u>	<u>Strategy</u>	<u>NAV in Funds</u>	<u>Number of Funds</u>	<u>Remaining Life</u>	<u>\$ Amount of Unfunded Commitments</u>	<u>Redemption Terms</u>	<u>Redemption Restrictions</u>
Collective trust fund	Seeks the highest level of current income possible consistent with the preservation of capital and maintenance of liquidity.	\$ 290,000	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 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 \$6,635,300 and \$6,184,400 on behalf of eligible employees to the Plan in 2025 and 2024, respectively. Amounts payable at December 31, 2025 and 2024 totaled \$180,700 and \$147,700, 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 \$14,061,800 and \$13,204,300 to this plan in 2025 and 2024, respectively. Amounts payable at December 31, 2025 and 2024 totaled \$424,800 and \$244,300, respectively, and are included in the current portion of accrued pension and other benefits in the accompanying consolidated statements of financial position.

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**NOTE 6 – PENSION AND OTHER POST-RETIREMENT BENEFITS** (Continued)

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 \$8,546,900 and \$7,966,700 pertaining to obligations due under the 457(b) plan are accrued and included in accrued pension and other employee benefits at December 31, 2025 and 2024, respectively, and the related 457(b) plan assets are included in investments on the accompanying consolidated statements of financial position.

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(Continued)

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 7 – FUNCTIONAL EXPENSES**

The following table summarizes the Institute’s functional expense classification presented below for the years ended December 31.

	December 31, 2025							
	Program Services					Supporting Services		Total
	Memberships	Periodicals	Conferences	Standards	Public Imperatives	In-Kind Contribution	General and Administrative	
People costs and related expense	\$ 63,641,200	\$ 99,957,800	\$ 49,499,900	\$ 27,583,000	\$ 5,566,600	\$ 1,484,100	\$ 6,870,100	\$ 254,602,700
Conference event related expense	618,400	55,200	42,174,700	28,700	110,700	-	-	42,987,700
Travel, meetings and accommodation	20,702,000	11,638,300	69,204,400	9,333,300	1,734,300	57,100	1,638,900	114,308,300
Consultants and contractors	8,087,600	13,060,900	30,825,100	6,237,700	4,092,100	80,400	1,855,700	64,239,500
Commission, licensing and royalty	337,900	30,024,800	696,200	140,000	1,400	-	-	31,200,300
Printing and publishing expense	3,951,200	24,911,300	3,710,400	33,000	153,100	17,000	25,500	32,801,500
Computer software and related expense	5,880,500	8,660,000	3,066,700	2,738,000	74,000	63,900	372,300	20,855,400
Marketing and promotions	4,940,400	5,748,100	6,571,600	505,500	495,700	82,000	849,100	19,192,400
Grants, awards, scholarships and others	1,184,100	519,300	1,275,300	72,500	10,897,100	-	4,400	13,952,700
General office expense	4,495,600	3,655,100	1,042,200	362,600	78,000	109,200	273,000	10,015,700
Depreciation and amortization	1,426,500	2,463,800	1,661,900	1,420,900	53,800	1,700	753,000	7,781,600
Operating leases and related expense	912,200	187,000	868,600	25,500	579,300	-	3,873,600	6,446,200
Professional fees	2,024,200	3,149,500	3,000,200	477,600	49,100	-	94,500	8,795,100
Maintenance expense	1,370,200	3,514,100	2,154,000	552,600	23,100	-	1,084,500	8,698,500
Insurance	291,800	344,900	1,792,300	289,400	30,000	-	271,800	3,020,200
Credit loss expenses	9,800	35,600	186,500	-	-	-	1,105,400	1,337,300
Communication services	-	-	-	101,400	4,700	200	10,900	117,200
Various Other	14,704,800	8,894,300	11,762,300	3,679,100	3,565,300	85,800	271,800	42,963,400
<b>Total</b>	<b>\$ 134,578,400</b>	<b>\$ 216,820,000</b>	<b>\$ 229,492,300</b>	<b>\$ 53,580,800</b>	<b>\$ 27,508,300</b>	<b>\$ 1,981,400</b>	<b>\$ 19,354,500</b>	<b>\$ 683,315,700</b>

(Continued)

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**NOTE 7 – FUNCTIONAL EXPENSES (Continued)**

December 31, 2024

	Program Services					Supporting Services		Total
	Memberships	Periodicals	Conferences	Standards	Public Imperatives	In-Kind Contribution	General and Administrative	
People costs and related expense	\$ 55,084,300	\$ 88,706,500	\$ 45,178,200	\$ 26,708,500	\$ 6,051,900	\$ 1,367,100	\$ 5,358,400	\$ 228,454,900
Conference event related expense	134,100	23,900	60,537,500	90,000	168,200	-	131,600	61,085,300
Travel, meetings and accommodation	18,822,100	11,517,600	39,427,300	8,158,800	1,299,400	56,600	1,520,500	80,802,300
Consultants and contractors	4,458,900	7,915,700	15,167,400	6,887,800	1,413,700	114,500	1,722,000	37,680,000
Commission, licensing and royalty	1,088,700	30,587,200	679,900	110,000	-	-	-	32,465,800
Printing and publishing expense	3,257,000	20,037,900	3,060,900	76,400	148,600	21,500	102,900	26,705,200
Computer software and related expense	5,522,800	8,463,100	3,335,200	3,734,200	119,900	74,800	329,600	21,579,600
Marketing and promotions	3,711,600	5,687,800	3,865,100	574,400	567,100	66,700	627,000	15,099,700
Grants, awards, scholarships and others	3,772,200	3,913,800	890,700	352,300	165,100	63,700	509,000	9,666,800
General office expense	1,466,200	2,876,000	3,563,900	887,600	17,800	-	28,000	8,839,500
Depreciation and amortization	1,480,300	596,400	1,016,000	64,400	5,283,100	-	23,900	8,464,100
Operating leases and related expense	1,253,900	3,136,500	1,471,300	537,900	22,200	-	995,600	7,417,400
Professional fees	1,389,900	2,239,000	1,529,600	1,324,600	42,100	1,700	828,400	7,355,300
Maintenance expense	782,800	123,800	959,400	27,600	377,700	-	3,419,300	5,690,600
Insurance	397,400	484,100	1,517,000	301,900	16,300	-	281,300	2,998,000
Credit loss expenses	117,300	92,100	83,000	103,000	2,600	400	10,700	409,100
Communication services	31,200	678,100	-	3,100	-	-	-	712,400
Various Other	13,871,700	8,293,200	17,232,200	3,953,000	1,765,800	134,600	-	45,250,500
<b>Total</b>	<b>\$ 116,642,400</b>	<b>\$ 195,372,700</b>	<b>\$ 199,514,600</b>	<b>\$ 53,895,500</b>	<b>\$ 17,461,500</b>	<b>\$ 1,901,600</b>	<b>\$ 15,888,200</b>	<b>\$ 600,676,500</b>

Management has reviewed all overhead costs and determined that it is appropriate to allocate the majority of these costs to the program services. There are a number of allocation methodologies that are used focusing on the location where the costs are incurred along with staffing levels and program service cost incurred prior to allocations. Included in these allocations are approximately \$93 million and \$84 million of society administrative, committee, and executive expenses and approximately \$83 million and \$67 million of indirect corporate overhead charges in 2025 and 2024, respectively.

(Continued)

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 8 – LIQUIDITY RESOURCES**

The Institute's primary source of operating funds is derived from the sale of products and services for its memberships, periodicals, conferences, and standards. These activities are intended to advance technology for humanity. The Institute has various sources of liquidity at its disposal, including cash and cash equivalents, and investments.

The following table reflects the Institute's financial assets as of December 31, 2025 and 2024 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or donor restrictions.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 30,661,500	\$ 22,282,100
Accounts receivable, less allowance for credit losses	64,327,500	92,671,400
Investments, at fair value	1,437,548,200	1,279,684,700
Investments - other	<u>3,779,900</u>	<u>3,605,100</u>
Total financial assets available within one year	1,536,317,100	1,398,243,300
Less:		
IEEE Board-designated net assets	1,021,000	3,526,700
Amounts held on behalf of IEEE Foundation, Incorporated	72,199,500	66,931,200
Amounts subject to expenditure for specified donor purposes	1,102,100	2,065,900
Amounts relating to endowment funds with donor restrictions	<u>3,166,300</u>	<u>723,800</u>
Total amounts unavailable for general expenditures within one year	<u>77,488,900</u>	<u>73,247,600</u>
Total financial assets available within one year after Board designations	<u>\$1,458,828,200</u>	<u>\$1,324,995,700</u>

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(Continued)

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**NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS AND ENDOWMENT FUNDS**

Net assets with donor restrictions are available for the following purposes at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Grant funds held for specific purposes	\$ 633,500	\$ 1,404,100
Fund held for awards, medals, and other specific purposes	468,600	661,800
Donor-restricted endowment funds, including accumulated unspent appreciation of \$1,627,300 and \$532,300	<u>3,166,300</u>	<u>723,800</u>
Total net assets with donor restrictions	<u>\$ 4,268,400</u>	<u>\$ 2,789,700</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes for the years ended December 31, 2025 and 2024 as follows:

	<u>2025</u>	<u>2024</u>
Grant funds held for specific purposes	\$ 1,045,700	\$ 147,700
Funds released for awards, medals, and other specific purposes	<u>381,000</u>	<u>89,900</u>
	<u>\$ 1,426,700</u>	<u>\$ 237,600</u>

Donor-imposed endowment net assets at December 31, 2025 and 2024 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 NYPMIFA, its version of the Uniform Prudent Management of Institutional Funds Act. All not-for-profit organizations formed in New York must apply this law. The Institute classifies as net assets with donor restrictions, unless otherwise stipulated by the donor: (a) the original value of gifts donated to its donor-restricted endowment, (b) the original value of subsequent gifts to its donor-restricted endowment and (c) accumulations to its donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the funds.

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.

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(Continued)

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**NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS AND ENDOWMENT FUNDS (Continued)**

The Institute has adopted investment management and spending policies for its donor-restricted endowment assets which totaled \$1,818,700 and \$723,700 as of December 31, 2025 and 2024, respectively. This supports the objective of providing a sustainable and increasing level of donor-restricted 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 donor-restricted endowment investments and the changes in donor-restricted endowment net assets for the years ended December 31, 2025 and 2024:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted	\$ -	\$ 3,166,300	\$ 3,166,300
Endowment assets, beginning of year	\$ -	\$ 723,700	\$ 723,700
Dividends and interest	-	148,900	148,900
Net realized and unrealized appreciation in fair value of endowment assets	-	479,700	479,700
Contributions	-	2,000,000	2,000,000
Endowment return used for operations	-	(186,000)	(186,000)
Endowment assets, end of year	\$ -	\$ 3,166,300	\$ 3,166,300
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted	\$ -	\$ 723,700	\$ 723,700
Endowment assets, beginning of year	\$ -	\$ 654,600	\$ 654,600
Dividends and interest	-	23,100	23,100
Net realized and unrealized appreciation in fair value of endowment assets	-	54,400	54,400
Endowment return used for operations	-	(8,400)	(8,400)
Endowment assets, end of year	\$ -	\$ 723,700	\$ 723,700

(Continued)

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**NOTE 10 – LEASES**

The Institute leases office space and certain equipment from third-party lessors under noncancellable leases. The following table summarizes the details for the Institute’s operating and finance leases recorded on the consolidated statements of financial position as of December 31, 2025 and 2024.

	<u>2025</u>	
	<u>Operating</u>	<u>Finance</u>
Right-of-use lease assets	\$ 15,577,200	\$ 97,321
Lease liabilities	15,761,400	92,600
Weighted average remaining lease term	27 months	17 months
Weighted average discount rate	4.00%	3.50%
	<u>2024</u>	
	<u>Operating</u>	<u>Finance</u>
Right-of-use lease assets	\$ 7,784,800	\$ 22,900
Lease liabilities	7,426,800	22,800
Weighted average remaining lease term	38 months	72 months
Weighted average discount rate	4.00%	3.49%

The Institute’s lease agreements do not provide an implicit rate, as such the Institute uses an estimated incremental borrowing rate, which is derived from third-party information available at the adoption date in determining the present value of lease payments. The rate used us the risk-free rate.

Fixed lease payments are recognized as operating lease cost on a straight-line basis over the lease term. ROU assets are periodically evaluated for impairment.

The following table is a summary of the Institute’s components of net lease cost, which is included in the operating leases and related expenses and depreciation and amortization within the consolidated statements of activities for the year ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Operating lease costs	\$ 2,272,121	\$ 1,810,700
Finance lease cost		
Amortization of leased assets	18,700	11,700
Interest on lease liabilities	2,790	1,000
Variable lease cost	<u>562,725</u>	<u>1,127,300</u>
 Total net lease costs	 <u>\$ 2,856,336</u>	 <u>\$ 2,950,700</u>

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(Continued)

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**NOTE 10 – LEASES (Continued)**

The following table summarizes maturities of the Institute's operating and finance lease liabilities as of December 31, 2025, which reconciles to total lease liabilities included on the Institute's consolidated statement of financial position.

<u>Year ending December 31,</u>	<u>Operating</u>	<u>Finance</u>	<u>Total</u>
2026	\$ 2,743,523	\$ 29,710	\$ 2,773,233
2027	2,686,037	29,200	2,715,237
2028	2,747,522	23,045	2,770,567
2029	2,334,102	17,046	2,351,148
2030	1,367,692	4,241	1,371,933
Thereafter	9,293,289	-	9,293,289
Total lease payments	21,172,165	103,242	21,275,407
Less: imputed interest	5,410,765	10,642	5,421,407
Total lease liabilities	15,761,400	92,600	15,854,000
Less: current lease liabilities	2,636,000	900	2,636,900
	<u>\$ 13,125,400</u>	<u>\$ 91,700</u>	<u>\$ 13,217,200</u>
Long-term lease liabilities	<u>\$ 13,125,400</u>	<u>\$ 91,700</u>	<u>\$ 13,217,200</u>

**NOTE 11 – COMMITMENTS AND CONTINGENCIES**

Letters of Credit: At December 31, 2025 and 2024, the Institute had irrevocable standby letters of credit with Wells Fargo Bank, N.A., in the amount of \$607,600 and \$583,000, respectively, 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.

At December 31, 2025 and 2024, the Institute issued standby letters of credit in relation to certain dealers' agreements and VAT tax payments totaling \$2,758,200 and \$1,442,900, respectively, 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.

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(Continued)

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS  
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**NOTE 12 – RELATED – PARTY TRANSACTIONS**

The Institute has transactions with IEEE Foundation. The Institute made cash contributions of \$485,000 in 2025 and 2024, to the IEEE Foundation.

The IEEE Foundation has no staff and thus receives certain accounting and administrative services from IEEE. The IEEE Foundation reimbursed IEEE for the cost of such services, which amounted to approximately \$1,315,800 and \$1,249,500 during 2025 and 2024, respectively. The Institute provided in-kind fundraising administrative services (contributed services) during 2025 and 2024 that were not reimbursed by the IEEE Foundation, valued at approximately \$1,981,400 and \$1,901,600 during 2025 and 2024, respectively.

Contributed services are recognized as revenue by the IEEE Foundation if the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and typically would need to be purchased if not otherwise provided by donation. Contributed services are valued and are reported at the estimated fair value in the financial statements based on actual salary of the IEEE employee, allocated to the Foundation, based on time spent working on Foundation related activities.

The Institute held on deposit approximately \$72,199,600 and \$66,931,200 from the IEEE Foundation at December 31, 2025 and 2024, respectively, and is separately reported on the accompanying consolidated statements of financial position. The Institute invests these amounts on behalf of the IEEE Foundation. Receivables due from the IEEE Foundation include grants receivable of \$2,068,300 and \$2,022,600 at December 31, 2025 and 2024, respectively, and other receivables of approximately \$220,800 and \$340,200 at December 31, 2025 and 2024, respectively, and are included in accounts receivable on the accompanying consolidated statements of financial position. Amounts due to the IEEE Foundation of approximately \$279,600 and \$150,100 at December 31, 2025 and 2024, respectively, are included in accounts payable and accrued expenses on the accompanying consolidated statements of financial position.