MESSAGE FROM THE TREASURER

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

The IEEE Statement of Activities reflects total revenues for 2013 of US$412.7 million, an increase of US$7.4 million, or 1.8% from 2012. Some of the key contributors that drove the increase in revenues are:

1. IEEE/IET Electronic Library (IEL)
2. IEEE All-Society Periodicals Package (ASPP)
3. IEEE Journals Archive revenue primarily due to 2013 being the first full year of this product offering

In 2013, IEEE had total operating expenses of US$425.1 million. This represents an increase from 2012 of US$16.7 million, or 4.1%. This increase is reflected both directly and indirectly in the many projects and initiatives that IEEE has undertaken, including:

1. Supporting the ongoing efforts of our technical communities, nurturing evolving technologies and cloud computing
2. Improving IEEE *Xplore*® with an additional 600,000+ interactive HTML articles
3. Increasing efforts in Africa and India for the purpose of furthering engineering capacity

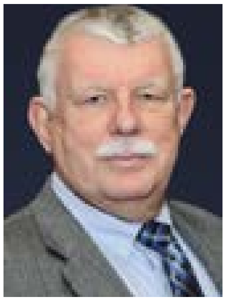
This resulted in an operating loss of US$12.4 million for 2013, which was in line with expectations. Included in the operating loss is a US$4.6 million charge for the net periodic benefit cost related to the IEEE Amended and Restated Employees Retirement Plans.

The IEEE Statement of Financial Position reflects total assets of US$557.8 million and US$470.5 million at 31 December 2013 and 2012, respectively. The increase of US$87.3 million was primarily attributable to the investment gains of US$55.0M and other net increases in working capital assets. IEEE total liabilities were US$229.2 million and US$197.0 million at 31 December 2013 and 2012, respectively. The increase of US$32.2 million was primarily due to deferred revenue (subscriptions, dues, and assessments) and amounts held on behalf of the IEEE Foundation. Overall, IEEE Net Assets increased US$55.1 million to US$328.7 million from the 2012 year-end balance of US$273.6 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 unqualified 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.



John T Barr

John T. Barr
2013 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, 2013 and 2012, 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 entity'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 entity'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, 2013 and 2012, 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.

Grant Thornton LLP

Edison, New Jersey
May 28, 2014

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2013 and 2012

ASSETS	**2013**	**2012**
CURRENT ASSETS		
Cash and cash equivalents	$ 13,244,300	$ 10,734,500
Accounts receivable, less allowance for doubtful accounts of $432,400 in 2013 and $207,100 in 2012	27,806,300	24,797,800
Prepaid expenses and other assets	15,090,400	11,525,800
Investments, at fair value	442,190,100	359,440,400
Investments - other	2,598,300	2,586,300
Total current assets	500,929,400	409,084,800
NONCURRENT ASSETS		
Long-term investments, at fair value	191,400	191,400
Land, buildings, and equipment, net	56,696,900	61,271,100
Total assets	$ 557,817,700	$ 470,547,300
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 51,525,500	$ 43,567,500
Capital lease obligations	1,360,800	1,490,500
Accrued pension and other employee benefits	572,900	489,200
Amounts held on behalf of IEEE Foundation, Incorporated	38,208,200	29,923,200
Deferred revenue	119,408,400	97,678,500
Total current liabilities	211,075,800	173,148,900
NONCURRENT LIABILITIES		
Capital lease obligations, net of current portion	1,563,600	2,559,100
Accrued pension and other employee benefits, net of current portion	16,521,000	21,255,000
Total liabilities	229,160,400	196,963,000
Commitments and contingencies		
NET ASSETS		
Unrestricted	326,934,600	271,633,700
Temporarily restricted	1,531,300	1,759,200
Permanently restricted	191,400	191,400
Total net assets	328,657,300	273,584,300
Total liabilities and net assets	$ 557,817,700	$ 470,547,300

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

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended December 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES				
Memberships and public imperatives	$ 67,350,700	$ 226,000	$ -	$ 67,576,700
Periodicals	157,616,700	-	-	157,616,700
Conferences	153,908,700	-	-	153,908,700
Standards	32,155,700	11,600	-	32,167,300
Other income	1,460,300	-	-	1,460,300
Net assets released from restrictions	590,600	(590,600)	-	-
Total revenues	**413,082,700**	**(353,000)**	**-**	**412,729,700**
EXPENSES				
Program services:				
Memberships and public imperatives	113,298,300	-	-	113,298,300
Periodicals	145,226,600	-	-	145,226,600
Conferences	130,536,800	-	-	130,536,800
Standards	29,156,200	-	-	29,156,200
Total program services	418,217,900	-	-	418,217,900
Supporting services:				
General and administrative	6,896,800	-	-	6,896,800
Total expenses	425,114,700	-	-	425,114,700
Changes in net assets before nonoperating activities	(12,032,000)	(353,000)	-	(12,385,000)
NONOPERATING ACTIVITIES				
Investment income, net	54,882,400	125,100	-	55,007,500
Pension and related benefits activity other than net periodic benefit cost	12,450,500	-	-	12,450,500
Changes in net assets	55,300,900	(227,900)	-	55,073,000
Net assets, beginning of year	271,633,700	1,759,200	191,400	273,584,300
Net assets, end of year	$ 326,934,600	$ 1,531,300	$ 191,400	$ 328,657,300

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

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended December 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES				
Memberships and public imperatives	$ 67,047,900	$ 254,000	$ -	$ 67,301,900
Periodicals	151,184,300	-	-	151,184,300
Conferences	153,428,000	-	-	153,428,000
Standards	29,674,600	88,200	-	29,762,800
Other income	3,665,400	-	-	3,665,400
Net assets released from restrictions	1,224,200	(1,224,200)	-	-
Total revenues	406,224,400	(882,000)	-	405,342,400
EXPENSES				
Program services:				
Memberships and public imperatives	104,009,000	-	-	104,009,000
Periodicals	139,363,300	-	-	139,363,300
Conferences	126,728,000	-	-	126,728,000
Standards	28,795,900	-	-	28,795,900
Total program services	398,896,200	-	-	398,896,200
Supporting services:				
General and administrative	9,469,200	-	-	9,469,200
Total expenses	408,365,400	-	-	408,365,400
Changes in net assets before nonoperating activities	(2,141,000)	(882,000)	-	(3,023,000)
NONOPERATING ACTIVITIES				
Investment income, net	33,775,000	35,800	-	33,810,800
Pension and related benefits activity other than net periodic benefit cost	(2,749,500)	-	-	(2,749,500)
Changes in net assets	28,884,500	(846,200)	-	28,038,300
Net assets, beginning of year	242,749,200	2,605,400	191,400	245,546,000
Net assets, end of year	$ 271,633,700	$ 1,759,200	$ 191,400	$ 273,584,300

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2013 and 2012

	2013	2012
OPERATING ACTIVITIES		
Changes in net assets	$ 55,073,000	$ 28,038,300
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	14,780,900	14,721,900
Loss on disposal of equipment	9,000	133,600
Unrealized gains on investments	(38,292,600)	(32,063,900)
(Gains) losses on sale of investments	(11,500,500)	4,080,700
Changes in assets and liabilities:		
Accounts receivable	(3,008,500)	(12,735,900)
Prepaid expenses and other assets	(3,564,600)	(1,714,000)
Accounts payable and accrued expenses	5,779,300	1,398,200
Accrued pension and other employee benefits	(4,650,300)	2,786,800
Amounts held on behalf of IEEE Foundation, Incorporated	8,285,000	2,963,600
Deferred revenue	21,729,900	5,009,200
Net cash provided by operating activities	**44,640,600**	**12,618,500**
INVESTING ACTIVITIES		
Proceeds from sales of investments	276,769,100	324,722,300
Purchases of investments	(309,737,700)	(322,297,000)
Purchase of land, buildings and equipment	(8,749,500)	(14,205,100)
Net cash used in investing activities	**(41,718,100)**	**(11,779,800)**
FINANCING ACTIVITIES		
Change in cash overdraft	1,131,700	(1,318,900)
Payment of capital lease obligations	(1,544,400)	(1,759,900)
Net cash used in financing activities	**(412,700)**	**(3,078,800)**
Net increase (decrease) in cash and cash equivalents	2,509,800	(2,240,100)
Cash and cash equivalents, beginning of year	10,734,500	12,974,600
Cash and cash equivalents, end of year	**$ 13,244,300**	**$ 10,734,500**
SUPPLEMENTAL DATA		
Interest paid	$ 488,600	$ 489,000
Purchases of fixed assets included in accrued expenses	$ 1,047,000	$ -
Acquisition of equipment through capital lease obligations	$ 419,200	$ 1,098,500

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

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 advancement of the standing of the members of the profession it serves.

Implementation of the Institute's objectives is performed primarily through regions, sections, societies, and councils and their financial results are incorporated in the Institute's accompanying consolidated financial statements. These units were formed to serve the specialized 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, and various publications.

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 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 Private Limited, 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 return 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 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 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.

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. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Institute's perceived risk of that instrument.

Revenue Recognition

Revenue from membership dues and periodicals is recognized on a straight-line basis over the period to which it pertains. Amounts received in advance are included in deferred revenue.

Conference revenues and expense 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 development groups. Standards periodicals and publications are recognized on a straight-line basis over the period to which it pertains. Standards development groups are recognized similar to conferences.

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 have been 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, 2013 and 2012 are presented below.

Public Imperatives	2013	2012
Revenues	$ 6,410,600	$ 6,468,500
Expenses	17,894,200	17,329,300
Public Imperatives, net	$ (11,483,600)	$ (10,860,800)

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 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 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 of an asset, or period of development until the time that it is ready for intended use, 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. 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, 2013 and 2012, cash overdrafts amounted to $2,637,200 and $1,505,500, 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 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 Accounting Standards Codification ("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 ending December 31, 2010, 2011, 2012 and 2013 are still open to audit for both federal and state purposes. As of December 31, 2013, 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. generally accepted accounting principles 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 2012 consolidated financial statements in order to conform to the 2013 presentation. Such reclassifications did not change total assets, liabilities, revenues, expenses or changes in net assets as reflected in the 2012 consolidated financial statements.

Subsequent Events

The Institute evaluated its December 31, 2013 consolidated financial statements for subsequent events through May 28, 2014, the date the consolidated financial statements were available to be issued.

NOTE 3: INVESTMENTS

As of December 31, 2013 and 2012, the Institute's investments, at fair value, by level within the fair value hierarchy, consist of the following:

	2013			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 5,077,600	$ -	$ -	$ 5,077,600
Common stock:				
Consumer	33,293,700	-	-	33,293,700
Technology	30,750,300			30,750,300
Financial services	28,733,600	-	-	28,733,600
Healthcare	24,985,700	-	-	24,985,700
Industrials	19,864,900	-	-	19,864,900
Energy	12,575,900	-	-	12,575,900
Other	11,455,400	-	-	11,455,400
Total common stocks	**161,659,500**	**-**	**-**	**161,659,500**
Mutual funds:				
Growth funds	28,554,800	-	-	28,554,800
Fixed income funds	106,205,400	-	-	106,205,400
Money market funds	67,379,800	-	-	67,379,800
Other funds	23,389,700	-	-	23,389,700
Total mutual funds	**225,529,700**	**-**	**-**	**225,529,700**
U.S. Government securities	17,131,300	-	-	17,131,300
Commingled funds	-	32,845,500	-	32,845,500
	409,398,100	**32,845,500**	**-**	**442,243,600**
Add: receivables for securities sold and accrued interest	768,400	-	-	768,400
Less: liabilities for securities purchased and accrued fees	(630,500)	-	-	(630,500)
Total investments, at fair value	**$ 409,536,000**	**$ 32,845,500**	**$ -**	**$ 442,381,500**

	2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 2,423,200	$ -	$ -	$ 2,423,200
Common stock:				
Consumer	28,235,700	-	-	28,235,700
Technology	26,095,000	-	-	26,095,000
Financial services	23,635,500	-	-	23,635,500
Healthcare	19,057,300	-	-	19,057,300
Industrials	13,895,700	-	-	13,895,700
Energy	10,784,600	-	-	10,784,600
Telecom	7,137,200	-	-	7,137,200
Other	6,199,900	-	-	6,199,900
Total common stocks	**135,040,900**	**-**	**-**	**135,040,900**
Mutual funds:				
Growth funds	23,129,200	-	-	23,129,200
Fixed income funds	90,257,300	-	-	90,257,300
Money market funds	49,825,900	-	-	49,825,900
Other funds	16,687,700	-	-	16,687,700
Total mutual funds	**179,900,100**	**-**	**-**	**179,900,100**
U.S. Government securities	14,754,900	-	-	14,754,900
Commingled funds	-	27,695,800	-	27,695,800
	332,119,100	**27,695,800**	**-**	**359,814,900**
Add: receivables for securities sold and accrued interest	1,300,400	-	-	1,300,400
Less: liabilities for securities purchased and accrued fees	(1,483,500)	-	-	(1,483,500)
Total investments, at fair value	**$ 331,936,000**	**$ 27,695,800**	**$ -**	**$ 359,631,800**

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, the 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 NAV to determine the fair value of all the underlying 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, 2013 and 2012:

2013

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; One fund seeks to outperform the Russell 2000 Index over a 1 to 3 year period.	$32,845,500	2	To be determined 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

2012

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; One fund seeks to outperform the Russell 2000 Index over a 1 to 3 year period.	$27,695,800	2	To be determined 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 $2,598,300 and $2,586,300 as of December 31, 2013 and 2012, respectively, are classified as investments – other on the accompanying consolidated statements of financial position. These investments do not qualify as securities as defined by the relevant guidance, and as such, fair value disclosures are not provided.

Investment income, net, for the years ended December 31, 2013 and 2012, including investment return related to amounts held on behalf of IEEE Foundation, Incorporated that have not been reflected in the accompanying consolidated financial statements, consists of the following:

TOTAL INVESTMENTS	**2013**	**2012**
Interest and dividends, net	$ 5,680,800	$ 6,351,800
Net realized and unrealized gains on investments	54,185,300	30,419,300
Total investment income, net	**$ 59,866,100**	**$ 36,771,100**
IEEE Foundation		
Interest and dividends, net	$ 466,400	$ 524,200
Net realized and unrealized gains on investments	4,392,200	2,436,100
IEEE Foundation investment income, net	**$ 4,858,600**	**$ 2,960,300**
IEEE		
Interest and dividends, net	$ 5,214,400	$ 5,827,600
Net realized and unrealized gains on investments	49,793,100	27,983,200
IEEE investment income, net	**$ 55,007,500**	**$ 33,810,800**

Investment expenses, which are netted with interest and dividends, amounted to $1,200,000 and $947,600 in 2013 and 2012, 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, 2013 and 2012 consist of the following:

	2013			2012		
	Cost	Accumulated Depreciation and Amortization	Net	Cost	Accumulated Depreciation and Amortization	Net
Buildings	$ 17,956,600	$ 12,412,800	$ 5,543,800	$ 17,956,600	$ 11,957,800	$ 5,998,800
Furniture, equipment, vehicles and computers	105,589,700	66,603,800	38,985,900	99,212,600	56,727,000	42,485,600
Building improvements	12,763,400	5,555,000	7,208,400	12,310,300	4,707,500	7,602,800
	136,309,700	**84,571,600**	**51,738,100**	**129,479,500**	**73,392,300**	**56,087,200**
Land	873,000	-	873,000	873,000	-	873,000
Building improvements in progress	2,533,900	-	2,533,900	99,900	-	99,900
Information systems upgrade in process	1,551,900	-	1,551,900	4,211,000	-	4,211,000
Total	$ 141,268,500	$ 84,571,600	$ 56,696,900	$ 134,663,400	$ 73,392,300	$ 61,271,100

Depreciation and amortization expense amounted to $14,780,900 and $14,721,900 for the years ended December 31, 2013 and 2012, respectively.

Furniture and equipment include assets acquired under capital leases of $7,152,600 and $7,709,700 as of December 31, 2013 and 2012, respectively. Accumulated amortization of assets recorded under capital leases amounted to $4,232,400 and $3,660,400 at December 31, 2013 and 2012, 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 expires on September 1, 2015 (the "Agreement"). The Institute is charged commitment fees, which amounted to $273,900 in 2013 and $206,100 in 2012, on the unused portion of the credit facility. The credit facility was not utilized in 2013 and 2012; the Institute had no outstanding borrowings under the credit facility in either year.

The Institute is required to maintain certain financial ratios under the Agreement with the Lenders. At December 31, 2013, the Institute was in compliance with all financial ratios.

Interest expense, net of amounts capitalized of $138,300 in 2013 and $217,500 in 2012, amounted to $350,300 in 2013 and $271,500 in 2012. This is mainly related to leases of servers and laptops.

NOTE 6: OBLIGATIONS UNDER CAPITAL LEASES

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

Year	Amount
2014	$1,520,100
2015	1,100,000
2016	483,500
2017	166,800
2018	46,900
Total minimum lease payments	3,317,300
Less: Amount representing interest	(392,900)
Present value of minimum lease payments	$2,924,400

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 the qualified employee benefit plans as of June 30, 2007 and the implementation of a defined contribution plan effective July 1, 2007.

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, 2013, and a statement of the funded status as of December 31 of both years:

	Pension Benefits		Other Benefits	
	2013	**2012**	**2013**	**2012**
Reconciliation of benefit obligation:				
Obligation at January 1st	**$ 90,856,500**	**$ 81,811,200**	**$ 5,707,600**	**$ 4,807,600**
Service cost	255,000	255,000	248,500	230,400
Interest cost	3,278,200	3,335,300	204,300	202,400
Actuarial (gain) loss	(13,093,200)	10,922,400	(973,000)	557,500
Benefit payments	(1,696,700)	(2,052,100)	(113,600)	(90,300)
Settlements	(4,386,600)	(3,415,300)	-	-
Obligation at December 31st	**$ 75,213,200**	**$ 90,856,500**	**$ 5,073,800**	**$ 5,707,600**
Reconciliation of fair value of plan assets:				
Fair value of plan assets at January 1st	**$ 75,077,900**	**$ 67,919,300**	**$ -**	**$ -**
Actual return on plan assets	(2,182,300)	8,111,300	-	-
Employer contributions	26,800	4,514,700	113,600	90,300
Benefit payments	(1,696,700)	(2,052,100)	(113,600)	(90,300)
Settlements	(4,386,600)	(3,415,300)	-	-
Fair value of plan assets at December 31st	**$ 66,839,100**	**$ 75,077,900**	**$ -**	**$ -**
Funded status at December 31st	$ (8,374,100)	$ (15,778,600)	$ (5,073,800)	$ (5,707,600)
Accumulated benefit obligation	$ 75,213,200	$ 90,856,500	$ 5,073,800	$ 5,707,600

At December 31, 2013 and 2012, the funded status of the plans is reported on the consolidated statements of financial position as follows:

	Pension Benefits		Other Benefits	
	2013	**2012**	**2013**	**2012**
Current liabilities	$ (26,600)	$ (17,700)	$ (228,800)	$ (213,500)
Noncurrent liabilities	(8,347,500)	(15,760,900)	(4,845,000)	(5,494,100)
Net amount recognized	**$ (8,374,100)$**	**$ (15,778,600)**	**$ (5,073,800)**	**$ (5,707,600)**

Cumulative amounts recognized in changes in unrestricted net assets and not yet recognized in net periodic benefit cost as of December 31, 2013 and 2012 consist of:

	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Net loss	$ 20,115,200	$ 31,460,700	$ 834,000	$ 1,893,300
Prior service cost	-	-	45,800	-
Net transition obligation	-	-	-	91,500
Total	$ 20,115,200	$ 31,460,700	$ 879,800	$ 1,984,800

The following table provides the components of net periodic benefit cost for the plans for 2013 and 2012:

	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Service cost	$ 255,000	$ 255,000	$ 248,500	$ 230,400
Interest cost	3,278,200	3,335,300	204,200	202,300
Expected return on plan assets	(2,861,700)	(2,721,100)	-	-
Amortization of transition obligation	-	-	45,800	45,800
Amortization of prior service cost	-	-	-	22,900
Amortization of net loss	2,121,700	2,019,900	86,200	70,300
Settlement loss	1,174,600	1,181,400	-	-
Net periodic benefit cost	**$ 3,967,800**	**$ 4,070,500**	**$ 584,700**	**$ 571,700**

Amounts recognized in changes in unrestricted net assets for the years ended December 31, 2013 and 2012 consist of:

	Pension Benefits		Other Benefits	
	2013	2012	2013	2012
Net loss	$ (8,049,200)	$ 5,532,200	$ (973,000)	$ 557,600
Amortization of net loss	(3,296,300)	(3,201,300)	(86,200)	(70,300)
Amortization of transition obligation	-	-	(45,800)	(45,800)
Amortization of prior service cost	-	-	-	(22,900)
Pension related benefits activity other than periodic benefit cost	**$ (11,345,500)**	**$ 2,330,900**	**$ (1,105,000)**	**$ 418,600**

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
Transition obligation	$ -	$ 45,800
Net loss	1,330,100	23,600
Total	$ 1,330,100	$ 69,400

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	
	2013	2012	2013	2012
Weighted-average assumptions as of December 31st				
Discount rate	4.61%	3.75%	4.72%	3.75%
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	
	2013	2012	2013	2012
Weighted-average assumptions as of December 31st				
Discount rate	3.75%	4.25%	3.75%	4.25%
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 2014 under the Internal Revenue Service's (IRS) minimum funding regulations.

IEEE expects to contribute approximately $27,000 to its nonqualified pension plan and approximately $229,000 to its other post-retirement benefit plans during 2014.

Expected Benefit Payments

	Pension Benefits	Other Benefits
2014	$ 3,567,000	$ 228,800
2015	3,507,700	231,300
2016	3,582,300	233,700
2017	3,830,700	240,600
2018	3,946,000	247,800
2019 to 2023	25,097,900	1,416,900

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 number 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 2013 and 2012, and the target allocation for 2013 and 2012 by asset category based on asset fair values are as follows:

		Pension Assets at December 31		Post-Retirement Assets at December 31	
Asset Category	2013 Target Asset Allocation	2013	2012	2013	2012
Equity securities	10%	12%	12%	N/A	N/A
Debt securities	90%	87%	88%	N/A	N/A
Cash and cash equivalents	-	1%	-	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 assets is to maintain a diversified investment portfolio across several asset classes targeting an annual rate of return of 4.00% in both 2013 and 2012. 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.

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, 2013 and 2012, 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, 2013 and 2012, 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, 2013:

	2013			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 648,900	$ -	$ -	$ 648,900
Common stock:				
Consumer	844,200	-	-	844,200
Technology	841,300	-	-	841,300
Industrials	525,300	-	-	525,300
Healthcare	518,800	-	-	518,800
Financial services	410,000	-	-	410,000
Energy	314,800	-	-	314,800
Other	298,600	-	-	298,600
Total common stocks	**3,753,000**	**-**	**-**	**3,753,000**
Equity mutual funds	3,890,600	-	-	3,890,600
Corporate bonds	-	38,210,100	-	38,210,100
U.S. Government securities	11,515,000	2,957,500	-	14,472,500
Municipal bonds	-	3,885,600	-	3,885,600
Foreign bonds	-	1,465,500	-	1,465,500
	19,807,500	46,518,700	-	66,326,200
Add: receivables for securities sold and accrued interest	751,200	-	-	751,200
Less: liabilities for securities purchased and accrued fees	(238,300)	-	-	(238,300)
Total pension plan investments	**$ 20,320,400**	**$ 46,518,700**	**$ -**	**$ 66,839,100**

The following table prioritizes the inputs used to measure and report the fair value of the Institute's pension plan assets at December 31, 2012:

	2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 472,200	$ -	$ -	$ 472,200
Common stock:				
Consumer	873,700	-	-	873,700
Technology	896,900	-	-	896,900
Healthcare	457,400	-	-	457,400
Industrials	456,500	-	-	456,500
Financial services	394,600	-	-	394,600
Energy	380,000	-	-	380,000
Telecommunications	247,800	-	-	247,800
Other	214,200	-	-	214,200
Total common stocks	**3,921,100**	**-**	**-**	**3,921,100**
Equity mutual funds	4,547,500	-	-	4,547,500
Corporate bonds	-	41,377,400	-	41,377,400
U.S. Government securities	16,481,700	2,379,300	-	18,861,000
Municipal bonds	-	3,481,800	-	3,481,800
Foreign bonds	-	1,623,600	-	1,623,600
	25,422,500	48,862,100	-	74,284,600
Add: receivables for securities sold and accrued interest	894,800	-	-	894,800
Less: liabilities for securities purchased and accrued fees	(101,500)	-	-	(101,500)
Total pension plan investments	**$ 26,215,800**	**$ 48,862,100**	**$ -**	**$ 75,077,900**

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 from 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 $4,134,000 and $3,861,200 to the Plan in 2013 and 2012, respectively. Amounts payable at December 31, 2013 and 2012 were $108,000 and $89,300, respectively, and are included in the current portion of accrued pension and other benefits in the accompanying 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 contribution). 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 $7,652,261 and $7,151,522 in 2013 and 2012, respectively. Amounts payable at December 31, 2013 and 2012 were $209,500 and $168,700, respectively, and are included in the current portion of accrued pension and other benefits in the accompanying 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 amount of $3,328,500 pertaining to obligations due under the 457(b) plan are accrued and included in accrued pension and other employee benefits at December 31, 2013, and the related 457(b) plan assets are included in investments on the accompanying 2013 consolidated statement of financial position.

NOTE 8: NET ASSETS AND ENDOWMENT FUNDS

Temporarily restricted net assets are available for the following purposes at December 31, 2013 and 2012:

	2013	2012
Grant funds held for specific purposes	$ 817,600	$ 1,167,600
Funds held for awards, medals and other specific purposes	713,700	591,600
	$ 1,531,300	$ 1,759,200

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes for the years ended December 31, 2013 and 2012 as follows:

	2013	2012
Grant funds released for specific purposes	$ 587,600	$ 1,221,600
Funds released for awards, medals and other specific purposes	3,000	2,600
	$ 590,600	$ 1,224,200

Permanently restricted net assets at December 31, 2013 and 2012 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 endowment assets of $514,500 and $468,900 as of December 31, 2013 and 2012, 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 tables summarize the Institute's total return on endowment investments and the changes in endowment net assets for the years ended December 31, 2013 and 2012:

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	$ -	$ 323,100	$ 191,400	$ 514,500

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment assets, beginning of year	**$ -**	**$ 277,500**	**$ 191,400**	**$ 468,900**
Dividends and interest	-	6,000	-	6,000
Net realized and unrealized appreciation in fair value of endowment assets	-	42,300	-	42,300
New gifts and pledges	-	-	-	-
Endowment return used for operations	-	(2,700)	-	(2,700)
Endowment assets, end of year	**$ -**	**$ 323,100**	**$ 191,400**	**$ 514,500**

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	$ -	$ 277,500	$ 191,400	$ 468,900

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment assets, beginning of year	**$ -**	**$ 248,900**	**$ 191,400**	**$ 440,300**
Dividends and interest	-	6,700	-	6,700
Net realized and unrealized appreciation in fair value of endowment assets	-	24,200	-	24,200
New gifts and pledges	-	-	-	-
Endowment return used for operations	-	(2,300)	-	(2,300)
Endowment assets, end of year	$ -	$ 277,500	$ 191,400	$ 468,900

NOTE 9: COMMITMENTS AND CONTINGENCIES

Operating Leases

At December 31, 2013, minimum rental commitments due under noncancelable operating leases for office space and computer equipment are as follows:

Year	Amount
2014	$ 2,709,900
2015	2,447,100
2016	2,187,000
2017	2,044,500
2018	2,085,100
Thereafter	8,014,300
	$ 19,487,900

The leases for the office space are subject to escalation. Total rent expense for noncancelable operating leases amounted to $5,087,700 and $3,646,700 in 2013 and 2012, respectively.

Letters of Credit

At December 31, 2013, the Institute had irrevocable standby letters of credit with Wells Fargo Bank, N.A., in the amount of $583,000 and $45,100, which serve as security deposits as required by the terms of its lease agreements with Three Park Avenue Building Company, LP and 191 II MSP L Street, LLC, respectively.

As of December 31, 2013, the Institute had issued standby letters of credit totaling $103,900 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 10: 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 $531,000 and $561,000 in 2013 and 2012, respectively, to the Foundation. The Institute contributed $750,000 to the IEEE-Eta Kappa Nu Restricted Fund during 2013 and $250,000 to the IEEE Power Engineering Society Scholarship Program during 2012.

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 $561,000 and $512,000 during 2013 and 2012, respectively. The Institute provided fundraising administrative services (contributed services) during 2013 and 2012 that were not reimbursed by the Foundation, that were valued at $764,600 and $649,400 during 2013 and 2012, respectively.

The Institute held on deposit $38,208,200 and $29,923,200 from the Foundation at December 31, 2013 and 2012, 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 $113,500 and $58,500 at December 31, 2013 and 2012, respectively, and other receivables of $98,800 and $222,200 at December 31, 2013 and 2012, respectively, and are included in accounts receivable on the accompanying consolidated statements of financial position. Amounts due to the Foundation of $145,200 and $169,100 at December 31, 2013 and 2012, respectively, are included in accounts payable and accrued expenses on the accompanying consolidated statements of financial position.