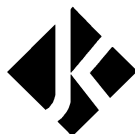




**INSTITUTE OF INDUSTRIAL AND SYSTEMS
ENGINEERS, INC. AND SUBSIDIARY
REPORT ON AUDITS OF
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
MARCH 31, 2016 AND 2015**

INSTITUTE OF INDUSTRIAL AND SYSTEMS ENGINEERS, INC. AND SUBSIDIARY
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2016 AND 2015

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	1-2
CONSOLIDATED STATEMENTS OF ACTIVITIES AND NET ASSETS	3-4
CONSOLIDATED STATEMENTS OF CASH FLOWS	5
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	6-11
CONSOLIDATING STATEMENT OF FINANCIAL POSITION	12-13
CONSOLIDATING STATEMENT OF ACTIVITIES AND NET ASSETS	14-15



Jones and Kolb
Certified Public Accountants
Atlanta, Georgia

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Institute of Industrial and Systems Engineers, Inc. and Subsidiary
Norcross, Georgia

We have audited the accompanying consolidated financial statements of Institute of Industrial and Systems Engineers, Inc. and Subsidiary (collectively, the "Institute"), which comprise the consolidated statements of financial position as of March 31, 2016 and 2015, and the related consolidated statements of activities and net assets 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.

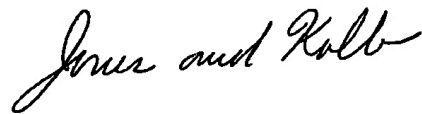
We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Institute of Industrial and Systems Engineers, Inc. and Subsidiary as of March 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating schedules on pages 12-15 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in cursive script that reads "Jones and Kolb".

August 11, 2016

INSTITUTE OF INDUSTRIAL AND SYSTEMS ENGINEERS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash and cash equivalents		
Unrestricted cash	\$ 2,186,187	\$ 2,838,775
Temporarily restricted cash - scholarships	24,615	26,549
Total cash and cash equivalents	2,210,802	2,865,324
Investments	3,639,306	1,897,159
Accounts receivable	266,873	474,223
Inventory	5,666	9,603
Prepaid expenses	217,019	125,418
Total current assets	<u>6,339,666</u>	<u>5,371,727</u>
PROPERTY AND EQUIPMENT		
Equipment	948,858	960,135
Website	137,155	137,155
Leasehold improvements	78,161	78,161
Total	1,164,174	1,175,451
Less accumulated depreciation and amortization	<u>(1,128,629)</u>	<u>(1,134,353)</u>
Total property and equipment, net	<u>35,545</u>	<u>41,098</u>
PERMANENTLY RESTRICTED INVESTMENTS - SCHOLARSHIPS	<u>126,200</u>	<u>126,200</u>
Total assets	<u><u>\$ 6,501,411</u></u>	<u><u>\$ 5,539,025</u></u>

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

INSTITUTE OF INDUSTRIAL AND SYSTEMS ENGINEERS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2016 AND 2015

LIABILITIES AND NET ASSETS

	2016	2015
CURRENT LIABILITIES		
Accounts payable	\$ 706,371	\$ 724,232
Income tax payable	-	5,744
Scholarships payable	52,900	62,051
Accrued liabilities	435,467	418,958
Deferred lease liability - short term	19,346	14,355
Deferred income		
Publications and conferences	900,886	752,239
Student conferences and other	26,371	25,539
	2,141,341	2,003,118
 DEFERRED LEASE LIABILITY - LONG TERM	 155,156	 174,502
	2,296,497	2,177,620
 NET ASSETS		
Unrestricted		
Designated	1,216,396	1,170,543
Undesignated	1,663,963	1,135,167
Subsidiary's equity	403,740	272,713
	3,284,099	2,578,423
Temporarily restricted - scholarships	794,615	656,782
Permanently restricted - scholarships	126,200	126,200
	4,204,914	3,361,405
	4,204,914	3,361,405
	\$ 6,501,411	\$ 5,539,025

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

INSTITUTE OF INDUSTRIAL AND SYSTEMS ENGINEERS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND NET ASSETS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CHANGE IN UNRESTRICTED NET ASSETS		
REVENUES		
Conferences and seminars	\$ 3,655,381	\$ 3,387,665
Societies, divisions and interest groups	54,271	53,414
Publications		
Engineering and Management Press	15,766	16,383
Magazines and journals	360,191	398,782
Member services and dues (net of chapters' portions - \$61,279 and \$59,308 in 2016 and 2015, respectively)	929,764	956,997
Investment income	87,789	74,806
Consulting	1,066,724	1,096,641
Other income	197,497	196,016
	<u>6,367,383</u>	<u>6,180,704</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>45,850</u>	<u>55,589</u>
EXPENSES		
Conferences and seminars	1,414,859	1,316,540
Societies, divisions and interest groups	21,631	21,595
Publications		
Engineering and Management Press	6,378	7,599
Magazines and journals	70,559	75,698
Member services	270,250	257,078
Office, occupancy and operations	634,066	646,093
Salaries and benefits	2,745,800	2,550,583
Consulting	344,251	506,820
Income taxes	94,511	84,902
Foundation	59,402	62,279
Scholarships	45,850	55,588
	<u>5,707,557</u>	<u>5,584,775</u>
Total expenses	<u>5,707,557</u>	<u>5,584,775</u>
Change in unrestricted net assets	<u>705,676</u>	<u>651,518</u>

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

INSTITUTE OF INDUSTRIAL AND SYSTEMS ENGINEERS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND NET ASSETS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions and grants	124,677	21,900
Investment income	59,006	50,337
Net assets released from restrictions	<u>(45,850)</u>	<u>(55,589)</u>
Change in temporarily restricted net assets	<u>137,833</u>	<u>16,648</u>
CHANGE IN NET ASSETS	843,509	668,166
NET ASSETS, Beginning of year	<u>3,361,405</u>	<u>2,693,239</u>
NET ASSETS, End of year	<u><u>\$ 4,204,914</u></u>	<u><u>\$ 3,361,405</u></u>

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

INSTITUTE OF INDUSTRIAL AND SYSTEMS ENGINEERS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 843,509	\$ 668,166
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES:		
Depreciation and amortization	23,168	37,728
Loss on disposal of property and equipment	-	1,975
Net unrealized and realized gain on investments and reinvestment of interest/dividends	(90,247)	(75,042)
Change in accounts receivable	207,350	(186,123)
Change in inventory and prepaid expenses	(87,664)	(13,850)
Change in accounts payable	(17,861)	130,691
Change in income tax payable	(5,744)	(56,089)
Change in scholarships payable	(9,151)	5,201
Change in accrued liabilities	16,509	55,097
Change in deferred lease liability	(14,355)	115,023
Change in deferred income	149,479	(34,169)
Total adjustments	171,484	(19,558)
Net cash and cash equivalents provided by operating activities	1,014,993	648,608
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(2,729,299)	(756,986)
Purchases of property and equipment	(17,615)	(27,796)
Sales of investments	1,077,399	723,619
Net cash and cash equivalents used in investing activities	(1,669,515)	(61,163)
CHANGE IN CASH AND CASH EQUIVALENTS	(654,522)	587,445
CASH AND CASH EQUIVALENTS, Beginning of year	2,865,324	2,277,879
CASH AND CASH EQUIVALENTS, End of year	\$ 2,210,802	\$ 2,865,324
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Income taxes paid	\$ 109,714	\$ 141,360

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

INSTITUTE OF INDUSTRIAL AND SYSTEMS ENGINEERS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Institute of Industrial and Systems Engineers, Inc. and Subsidiary (collectively, the "Institute") includes the accounts of Institute of Industrial and Systems Engineers, Inc., formerly, Institute of Industrial Engineers, Inc., and IISE Solutions, Inc., formerly, IIE Solutions, Inc. Both entities changed their names during 2016. The Institute of Industrial and Systems Engineers, Inc. ("IISE") is an international organization that provides educational services to industrial and systems engineers. IISE Solutions, Inc. ("Solutions") was formed in August 2013 to provide consulting services on behalf of IISE. All material intercompany transactions and balances have been eliminated in these consolidated financial statements.

B. The Institute prepares its consolidated financial statements on the accrual basis of accounting. The consolidated financial statements do not include the accounts of the Institute's chapters.

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 reported period. Actual results could differ from those estimates.

The Institute classifies net assets, revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions using three classifications: unrestricted, temporarily restricted and permanently restricted. These three classifications are defined as follows:

Unrestricted net assets are net assets that are not restricted by donors, or the donor-imposed restrictions have expired.

Temporarily restricted net assets are those net assets subject to donor-imposed restrictions that permit the Institute to use or expend the donated assets as specified and are satisfied either by the passage of time or by actions of the Institute.

Permanently restricted net assets are those net assets subject to donor-imposed restrictions that stipulate that resources be maintained permanently. Generally, the donors of these assets permit the Institute to use or expend part or all of the income derived from the donated assets for specified or unspecified purposes.

C. The Institute considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

INSTITUTE OF INDUSTRIAL AND SYSTEMS ENGINEERS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

D. Investments are carried at fair value. Unrealized and realized gains and losses on investments are reported as increases or decreases in unrestricted and temporarily restricted net assets.

E. Accounts receivable are recorded at the amount of cash estimated as realizable. The Institute provides an allowance for doubtful accounts when specific accounts are deemed uncollectible based on the aging of the accounts receivable. Accounts receivable balances are considered delinquent after thirty days from the invoice date. As of March 31, 2016 and 2015, there was no allowance for doubtful accounts.

F. Inventory consists primarily of publications held for resale and is stated at the lower of cost (first-in, first-out) or market.

G. Property and equipment are stated at cost or fair market value, if contributed. Equipment, website and leasehold improvements are depreciated using the straight-line method over estimated useful lives of three to seven years. Depreciation and amortization expense for the years ended March 31, 2016 and 2015 totaled \$23,168 and \$37,728, respectively. The Institute normally capitalizes items greater than six hundred dollars.

H. The costs of providing the programs and other activities of the Institute are summarized on the Consolidated Statements of Activities and Net Assets. Such expenses include costs directly incurred in performing the functional activity. Office, occupancy and operations and salaries and benefits are allocated on a functional basis (see Note 7).

I. Subsequent events have been evaluated by management through August 11, 2016, the date these consolidated financial statements were available to be issued.

2. CONCENTRATION OF CREDIT RISK

The Institute had cash deposits in a single financial institution that exceeded the federal deposit insurance limit of \$250,000 at March 31, 2016 and 2015. Management periodically reviews the financial viability of the financial institution and does not anticipate any credit risk related losses.

3. FAIR VALUE OF INVESTMENTS

U.S. generally accepted accounting principles establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Level 1 within the hierarchy states that valuations are based on unadjusted quoted market prices for

INSTITUTE OF INDUSTRIAL AND SYSTEMS ENGINEERS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

identical assets or liabilities in active markets. Level 2 within the hierarchy states that valuations are based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets and other inputs that may be corroborated by observable market data. As of March 31, 2016 and 2015, the only assets or liabilities that are measured at fair value on a recurring basis in periods subsequent to initial recognition are investments. Such investments are classified within Level 1 or Level 2 of the valuation hierarchy.

The following is a summary of investments, stated at fair value, held at March 31:

	2016			2015		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Common stocks	\$ 1,581,394	\$ -	\$ 1,581,394	\$ 1,417,922	\$ -	\$ 1,417,922
U.S. treasuries	250,184	-	250,184	232,701	-	232,701
Certificates of deposit	1,549,081	-	1,549,081	-	-	-
U.S. corporate obligations	-	257,253	257,253	-	275,571	275,571
Government related securities	-	115,384	115,384	-	84,885	84,885
Foreign corporate obligations	-	12,210	12,210	-	12,280	12,280
Total investments	\$ 3,380,659	\$ 384,847	\$ 3,765,506	\$ 1,650,623	\$ 372,736	\$ 2,023,359

Restricted investments were \$920,815 and \$782,982 at March 31, 2016 and 2015, respectively, and are included in investments and permanently restricted investments - scholarships in the accompanying consolidated statements of financial position.

Investment income consisted of the following for the years ended March 31:

	2016	2015
Interest and dividends	\$ 79,508	\$ 72,488
Realized and unrealized gains	90,247	75,042
Investment fees	(22,960)	(22,387)
Total investment income	\$ 146,795	\$ 125,143

INSTITUTE OF INDUSTRIAL AND SYSTEMS ENGINEERS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

4. INCOME TAXES

IISE is exempt from Federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (the "IRC") as a publicly supported organization. However, IISE is subject to income taxes under IRC Section 511(a) on unrelated business income. IISE has approximately \$1,447,000 of net operating loss carryforwards to offset future unrelated business income that will expire in 2021 to 2036. IIE had no tax liability as of March 31, 2016 and 2015.

Solutions, a for-profit C-corporation, is subject to income tax. Solutions' results of operations for financial and income tax reporting purposes differ primarily due to timing differences related to depreciation methods and amortization of start-up costs. Solutions had income before provision for income taxes of approximately \$261,000 and \$238,000 for the years ended March 31, 2016 and 2015, respectively. Solutions' income tax provision for the years ended March 31, 2016 and 2015, consists of the following:

	<u>2016</u>	<u>2015</u>
Income tax provision		
Federal income tax provision	\$ 79,677	\$ 71,349
State income tax provision	14,834	13,553
	<u>94,511</u>	<u>84,902</u>
Total income tax provision	\$ 94,511	\$ 84,902

5. EMPLOYEE BENEFIT PLANS

IISE participates in a 401(k) plan and matches one half of an employee's contributions to the 401(k) plan up to three percent of compensation. IIE contributed \$28,620 and \$26,156 to the 401(k) plan for the years ended March 31, 2016 and 2015, respectively.

In February 2016, IISE started a nonqualified Section 457(f) plan to provide certain key employees with supplemental retirement benefits. The deferred contributions are deposited to an account that is owned by the employer until the assets are distributed to the employee in accordance with the plan document. As of March 31, 2016, no deferred contributions were made to the plan and IISE did not have any assets or liabilities under the nonqualified plan.

INSTITUTE OF INDUSTRIAL AND SYSTEMS ENGINEERS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

6. COMMITMENTS

Future minimum lease payments under operating lease agreements as of March 31, 2016 are as follows:

<u>Year Ending March 31,</u>	<u>Office and Equipment Lease</u>
2017	\$ 230,433
2018	222,292
2019	221,413
2020	219,845
2021	225,308
Thereafter	<u>133,312</u>
Total	<u>\$ 1,252,603</u>

Rent expense related to the office and equipment leases was approximately \$217,000 and \$212,000 for the years ended March 31, 2016 and 2015, respectively.

7. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Institute's programs and services have been summarized on a functional basis; accordingly, certain costs have been allocated among the programs and services.

	<u>2016</u>	<u>2015</u>
Conference and seminars	\$ 1,817,744	\$ 1,678,679
Societies, divisions and interest groups	27,790	27,535
Publications	772,160	770,657
Foundation	59,402	62,279
Scholarships	<u>45,850</u>	<u>55,588</u>
Total program expenses	2,722,946	2,594,738
Member services	433,833	389,530
General and administrative	1,685,410	1,667,196
IIE Solutions, Inc.	<u>865,368</u>	<u>933,311</u>
Total expenses	<u>\$ 5,707,557</u>	<u>\$ 5,584,775</u>

INSTITUTE OF INDUSTRIAL AND SYSTEMS ENGINEERS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

8. CONTINGENCIES

IISE reserves hotel space for its conferences several years in advance. The contracts stipulate the number of rooms to be reserved and the time period for which they are to be reserved. As of the date of this report, contracts for hotel space had been entered into through May 2019. While the rooms will ultimately be paid for by members of IISE and related participants, IISE has guaranteed the rooms in advance to ensure availability. In the event the conferences are cancelled, or over 80% of the rooms are not used by members or minimum food and beverage charges are not incurred, IISE may be liable for a cancellation fee. Due to the numerous variables involved, IISE's ultimate liability under these contracts, if any, cannot be determined.

INSTITUTE OF INDUSTRIAL AND SYSTEMS ENGINEERS, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
MARCH 31, 2016

	<u>ASSETS</u>			
	<u>IIE</u>	<u>Solutions</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT ASSETS				
Cash and cash equivalents				
Unrestricted cash	\$ 1,906,565	\$ 279,622	\$ -	\$ 2,186,187
Temporarily restricted cash - scholarships	24,615	-	-	24,615
Total cash and cash equivalents	1,931,180	279,622	-	2,210,802
Investments	3,639,306	-	-	3,639,306
Accounts receivable	137,570	129,303	-	266,873
Due from IIE Solutions	5,190	-	(5,190)	-
Inventory	5,666	-	-	5,666
Prepaid expenses	205,136	21,163	(9,280)	217,019
Total current assets	5,924,048	430,088	(14,470)	6,339,666
INVESTMENT IN SUBSIDIARY	10,000	-	(10,000)	-
PROPERTY AND EQUIPMENT				
Equipment	943,358	5,500	-	948,858
Website	137,155	-	-	137,155
Leasehold improvements	77,201	960	-	78,161
Total	1,157,714	6,460	-	1,164,174
Less accumulated depreciation and amortization	(1,123,675)	(4,954)	-	(1,128,629)
Total property and equipment, net	34,039	1,506	-	35,545
PERMANENTLY RESTRICTED INVESTMENTS - SCHOLARSHIPS	126,200	-	-	126,200
Total assets	\$ 6,094,287	\$ 431,594	\$ (24,470)	\$ 6,501,411

See Independent Auditor's Report.

INSTITUTE OF INDUSTRIAL AND SYSTEMS ENGINEERS, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
MARCH 31, 2016

LIABILITIES AND NET ASSETS

	<u>IISE</u>	<u>Solutions</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT LIABILITIES				
Accounts payable	\$ 663,707	\$ 42,664	\$ -	\$ 706,371
Due to IIE	-	5,190	(5,190)	-
Scholarships payable	52,900	-	-	52,900
Accrued liabilities	435,467	-	-	435,467
Deferred lease liability - short term	19,346	-	-	19,346
Deferred income				
Publications and conferences	910,166	-	(9,280)	900,886
Student conferences and other	26,371	-	-	26,371
Total current liabilities	<u>2,107,957</u>	<u>47,854</u>	<u>(14,470)</u>	<u>2,141,341</u>
DEFERRED LEASE LIABILITY - LONG TERM	<u>155,156</u>	<u>-</u>	<u>-</u>	<u>155,156</u>
Total liabilities	<u>2,263,113</u>	<u>47,854</u>	<u>(14,470)</u>	<u>2,296,497</u>
NET ASSETS				
Unrestricted				
Designated	1,216,396	-	-	1,216,396
Undesignated	1,693,963	-	(30,000)	1,663,963
Common Stock	-	10	(10)	-
Paid-in-capital	-	9,990	(9,990)	-
Subsidiary's equity	-	403,740	-	403,740
Dividend	-	(30,000)	30,000	-
Total unrestricted net assets	<u>2,910,359</u>	<u>383,740</u>	<u>(10,000)</u>	<u>3,284,099</u>
Temporarily restricted - scholarships	794,615	-	-	794,615
Permanently restricted - scholarships	126,200	-	-	126,200
Total net assets	<u>3,831,174</u>	<u>383,740</u>	<u>(10,000)</u>	<u>4,204,914</u>
Total liabilities and net assets	<u>\$ 6,094,287</u>	<u>\$ 431,594</u>	<u>\$ (24,470)</u>	<u>\$ 6,501,411</u>

See Independent Auditor's Report.

INSTITUTE OF INDUSTRIAL AND SYSTEMS ENGINEERS, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2016

	<u>IISE</u>	<u>Solutions</u>	<u>Eliminations</u>	<u>Consolidated</u>
CHANGE IN UNRESTRICTED NET ASSETS				
REVENUES				
Conferences and seminars	\$ 3,655,381	\$ -	\$ -	\$ 3,655,381
Societies, divisions and interest groups	54,271	-	-	54,271
Publications				
Engineering and Management Press	15,766	-	-	15,766
Magazines and journals	360,191	-	-	360,191
Member services and dues (net of chapters' portions - \$61,279 in 2016)	929,764	-	-	929,764
Investment income	117,789	-	(30,000)	87,789
Consulting	-	1,066,724	-	1,066,724
Other income	232,826	-	(35,329)	197,497
	<u>5,365,988</u>	<u>1,066,724</u>	<u>(65,329)</u>	<u>6,367,383</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>45,850</u>	<u>-</u>	<u>-</u>	<u>45,850</u>
EXPENSES				
Conferences and seminars	1,414,859	-	-	1,414,859
Societies, divisions and interest groups	21,631	-	-	21,631
Publications				
Engineering and Management Press	6,378	-	-	6,378
Magazines and journals	70,559	-	-	70,559
Member services	270,250	-	-	270,250
Office, occupancy and operations	600,752	68,643	(35,329)	634,066

See Independent Auditor's Report.

INSTITUTE OF INDUSTRIAL AND SYSTEMS ENGINEERS, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2016

	<u>IISE</u>	<u>Solutions</u>	<u>Eliminations</u>	<u>Consolidated</u>
Salaries and benefits	2,352,508	393,292	-	2,745,800
Consulting	-	344,251	-	344,251
Income taxes	-	94,511	-	94,511
Foundation	59,402	-	-	59,402
Scholarships	45,850	-	-	45,850
	<u>4,842,189</u>	<u>900,697</u>	<u>(35,329)</u>	<u>5,707,557</u>
Total expenses				
Change in unrestricted net assets	<u>569,649</u>	<u>166,027</u>	<u>(30,000)</u>	<u>705,676</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS				
Contributions and grants	124,677	-	-	124,677
Investment income	59,006	-	-	59,006
Net assets released from restrictions	<u>(45,850)</u>	<u>-</u>	<u>-</u>	<u>(45,850)</u>
Change in temporarily restricted net assets	<u>137,833</u>	<u>-</u>	<u>-</u>	<u>137,833</u>
CHANGE IN NET ASSETS	707,482	166,027	(30,000)	843,509
NET ASSETS, Beginning of year	<u>3,123,692</u>	<u>237,713</u>	<u>-</u>	<u>3,361,405</u>
NET ASSETS, End of year	<u>\$ 3,831,174</u>	<u>\$ 403,740</u>	<u>\$ (30,000)</u>	<u>\$ 4,204,914</u>

See Independent Auditor's Report.