

# UNITED ENGINEERING FOUNDATION, INC



## 2023 ANNUAL REPORT

### Founder Societies

American Institute of Mining, Metallurgical and Petroleum Engineers (AIME)

American Institute of Chemical Engineers (AIChE)

American Society of Civil Engineers (ASCE)

American Society of Mechanical Engineers (ASME)

Institute of Electrical and Electronics Engineers (IEEE)



## UNITED ENGINEERING TRUSTEES

### ANNUAL REPORT – 2023

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## ANNUAL REPORT - 2023

In 2023 the investments and the stock market had a very good year. The United Engineering Foundation (UEF) was positively impacted by this condition resulting in financial gains.

The Board of Trustees met virtually on February 9, May 23 and July 25 along with a face-to-face annual Board of Trustees meeting hosted by AIME held on October 24<sup>th</sup> in Kansas City, Missouri.

The UEF continues the tradition as a significant leader in the engineering community. These efforts are consistent with the UEF vision – “To advance the engineering arts and sciences for the welfare of humanity.”

To fund our activities, the UEF continues to manage our endowment that closed 2023 with a fund balance of \$19,495,114. This was a significant increase from the fund balance of \$17,618,284, at the close as of December 31, 2022. This meaningful increase was due to a strong economy throughout much of 2023., Grants were awarded to continue to demonstrate the UEF’s commitment to its vision and supporting our mission – ‘To support engineering and education by, among other means, making grants.’

The 2023 grants were focused on achieving UEF’s Board of Trustees’ priority areas:

1. Diversity
2. Kindergarten - 12<sup>th</sup> Grade Education
3. Ethics and Leadership in Continuing Education

For 2024, at the Annual Trustee meeting in October, the Trustees added a new category and modified one of the existing priorities to:

- Diversity
- Emerging Technologies
- Engineering Ethics, Safety, Security and Leadership
- Kindergarten – 12th Grade Education

UEF managed the 8 Grantees for the 2023 Grant cycle, approved \$891,000, and paid out \$735,199 to Grantees. Unfortunately, the Grantees did not use \$155,801 in awarded funds that will remain in the UEF portfolio.

A summary of the Grantees, the funds approved, and the payouts is provided in Attachment A.

In mid-2023 the UEF's Grant Committee started the process for the 2024 Grant cycle. The Committee reviewed 35 concept papers totaling nearly \$3,178, 739 and invited 18 candidates to submit full proposals for a total of \$2,052,500. The Committee recommended 8 proposals for funding in priority order for Board approval. The Board of Trustees approved the funding of the 8 proposals totaling \$740,300 shown in Attachment B.

UEF and its Trustees continue to provide leadership for the profession and fiscal responsibility to deliver on the UEF mission "to support engineering and education by, among other means, making grants."

J. Robert Sims  
*President*

Patrick J. Natale, P.E., Dist.M.ASCE  
*Executive Director*



## UEF OFFICERS, TRUSTEES,

### STAFF AND ADVISORS

#### BOARD OF TRUSTEES 2023

President and Trustee: J. Robert Sims  
Vice President and Trustee: Deborah Grubbe  
Treasurer and Trustee: James Jefferies  
Secretary: Patrick J. Natale  
Trustee: Ronald Ashburn  
Trustee: Roland Moreau  
Trustee: David Soukup  
Trustee: Robert D. Stevens  
Trustee: Thomas W. Smith  
Trustee: Steve Welby  
Trustee: Darlene Schuster

#### SUPPORT 2023

Executive Director: Patrick J. Natale  
Assistant to the Ex. Dir.: Karen Grappone

#### GLENMEDE – Administrative Support 2023

Rosemary DiRita  
Katelyn Flaherty  
Jamie DeAngelis

#### GLENMEDE – Investment Support 2023

Adam Conish

#### ADVISORS 2023

Auditors: Adeptus Partners LLC  
Investment Advisor: Glenmede Trust  
Legal Counsel: Jennifer V. Abelaj Law Firm

#### BOARD OF TRUSTEES 2024\*

President and Trustee: Deborah Grubbe  
Vice President and Trustee: Roland Moreau  
Treasurer and Trustee: Thomas W. Smith  
Secretary: Patrick J. Natale  
Trustee: Ronald Ashburn  
Trustee: J. Robert Sims; Roland Moreau  
Trustee: David Soukup  
Trustee: Robert D. Stevens  
Trustee: Thomas W. Smith  
Trustee: Sophia Muirhead  
Trustee: Darlene Schuster

#### SUPPORT 2024

Executive Director: Patrick J. Natale  
Assistant to the Ex. Dir.: Karen Grappone

#### GLENMEDE – Administrative Support 2024

Rosemary DiRita  
Eli Mudrick  
Jamie DeAngelis

#### GLENMEDE – Investment Support 2024

Adam Conish

#### ADVISORS 2024

Auditors: Adeptus Partners LLC  
Investment Advisor: Glenmede Trust  
Legal Counsel: Jennifer V. Abelaj Law Firm

\*Effective October 2022

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**United Engineering Foundation  
 Schedule of Grants Payable  
 As of December 31, 2023**

| Submission ID   | Contact   | Organization  | 2023 Approved Amount | Payments 2023     | Payable at 11/30/23 |
|---|---|---|----------------------|-------------------|---------------------|
| UEF23-044 - Engineering News Network (ENN)  | Adam G. Smith, Chief Creative Content Officer<br>adamgsmi@usc.edu                                 | USC Viterbi School of Engineering                   | \$ 120,000           | \$ 119,407        | \$ 593              |
| UEF23-015 - Messages Matter: Advancing the Profession   | Thea Sahr, Deputy Executive Director<br>Thea@DiscoverE.org  | National Engineers Week Foundation (DBA: DiscoverE) | \$ 121,400           | \$ 121,400        | \$ -                |
| UEF23-100 - 2022 K-12 Digital Collaboration   | Thea Sahr, Deputy Executive Director<br>Thea@DiscoverE.org  | DiscoverE   | \$ 95,000            | \$ 95,000         | \$ -                |
| UEF23-047 - Create, Test, and Improve with PBS KIDS Work It Out Wombats!  | Marisa Wolsky, Executive Producer and Director of Children's STEM Media<br>marisa.wolsky@wgbh.org | WGBH Educational Foundation                         | \$ 150,000           | \$ 150,000        | \$ -                |
| UEF23-101 - Engineering K-12 Education - Status & Prospects for Collective Action                                   | Jamie Moesch, Managing Director, Educational Activities<br>j.moesch@ieee.org                      | IEEE  | \$ 150,000           | \$ 65,228         | \$ 84,772           |
| UEF23-017 - Development of an Educational Framework for a Successful Career in Engineering - Vision 2030 and Beyond | Leslie Nolen, Director of Education Activities<br>lnolen@asce.org                                 | American Society of Civil Engineers                 | \$ 50,000            | \$ 22,395         | \$ 27,605           |
| UEF23-039- Initiative for Critical Material Accelerated Development (CAD)   | Izabela Balicka, Engineering Specialist<br>izabb@aiche.org  | AICHE   | \$ 54,600            | \$ 17,177         | \$ 37,423           |
| UEF23-038 - Sustainable Energy Corps Student Projects   | Izabela Balicka, Engineering Specialist<br>izabb@aiche.org  | AICHE   | \$ 150,000           | \$ 144,592        | \$ 5,408            |
| <b>ACCEPTED TOTAL</b>   |   |   | <b>\$ 891,000</b>    | <b>\$ 735,199</b> | <b>\$ 155,801</b>   |

B

**United Engineering Foundation  
Schedule of Grants Payable  
As of May 31, 2024**

| Submission ID   | Contact   | Organization  | 2024 Approved Amount | Payments 2024 | Payable 05/31/24  |
|---|---|---|----------------------|---------------|-------------------|
| UEF24-017 STEM Pathways for indigenous Youth: Going Further   | Jeannine Finton, Senior Manager<br>jfinton@same.org               | Society of American Military Engineers              | \$ 119,000           | \$ -          | \$ 119,000        |
| UEF24-022 - Chats with Change Makers: Welcoming Everyone to Engineering   | Thea Sahr, Deputy Executive Director<br>Thea@DiscoverE.org        | National Engineers Week Foundation (DBA: DiscoverE) | \$ 135,500           | \$ -          | \$ 135,500        |
| UEF24-034 - J.E.D.I. Best Practices in the Engineering Workforce Summit   | Lisa. M. Black, Ph.D Director, Cultural Belonging & Social Ethos  | American Society of Civil Engineers                 | \$ 65,000            | \$ -          | \$ 65,000         |
| UEF24-043 - Implementation of Educational Framework for a Successful Career in Engineering Roadmap – Phase II       | Leslie Nolen, Director<br>lnolen@asce.org                         | American Society of Civil Engineers                 | \$ 50,000            | \$ -          | \$ 50,000         |
| UEF24-044- Increasing Engagement for the FOSSI Initiative   | Michelle Bryner, Sr Director<br>michelleb@aiche.org               | AICHE   | \$ 52,500            | \$ -          | \$ 52,500         |
| UEF24-045 - AI-Professional Society Leadership in Addressing Opportunities and Responsibilities                     | Amit Gupta, CIO<br>amig@aiche.org                                 | AICHE   | \$ 29,500            | \$ -          | \$ 29,500         |
| UEF24-055 - GBH Wombats Season 2  | Marisa Wolsky, Exec Producer & Director<br>marisa-wolsky@wgbh.org | WGBH Educational Foundation (GBH)                   | \$ 150,000           | \$ -          | \$ 150,000        |
| UEF24-056 - Equipando Padres – Apoya el éxito de tu estudiante (Equipping Parents – Support your student's success) | Kimberly Douglas, PhD<br>kimberlyd@shpe.org                       | Society of Hispanic Engineers                       | \$ 138,800           | \$ -          | \$ 138,800        |
| <b>Accepted Grants 2024</b>   |   |   | <b>\$ 740,300</b>    | <b>\$ -</b>   | <b>\$ 740,300</b> |



**UNITED ENGINEERING FOUNDATION, INC.**

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

**December 31, 2023**



**UNITED ENGINEERING FOUNDATION, INC.**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
United Engineering Foundation, Inc.  
New York, New York

### **Opinion**

We have audited the accompanying financial statements of United Engineering Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Engineering Foundation, Inc. as of December 31, 2023 and 2022, 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.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 United Engineering Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards 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 financial statements.



In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 United Engineering Foundation, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Engineering Foundation, Inc.'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.

*Adeptus Partners, LLC*

**Adeptus Partners, LLC**

Ocean, New Jersey  
June 19, 2024

**UNITED ENGINEERING FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2023 and 2022**

| ASSETS                                  | <u>2023</u>          | <u>2022</u>          |
|---|----------------------|----------------------|
| Cash and cash equivalents               | \$ 10,609            | \$ 8,280             |
| Investments, at fair value              | 19,477,708           | 17,602,229           |
| Prepaid expenses and other assets       | <u>6,796</u>         | <u>7,775</u>         |
| TOTAL ASSETS                            | <u>\$ 19,495,113</u> | <u>\$ 17,618,284</u> |
| <br>                                    |                      |                      |
| LIABILITIES AND NET ASSETS              |                      |                      |
| Liabilities                             |                      |                      |
| Accounts payable and accrued expenses   | <u>\$ 24,923</u>     | <u>\$ 23,832</u>     |
| TOTAL LIABILITIES                       | <u>24,923</u>        | <u>23,832</u>        |
| NET ASSETS - without donor restrictions | 16,525,790           | 14,650,052           |
| NET ASSETS - with donor restrictions    | <u>2,944,400</u>     | <u>2,944,400</u>     |
| TOTAL NET ASSETS                        | <u>19,470,190</u>    | <u>17,594,452</u>    |
| TOTAL LIABILITIES AND NET ASSETS        | <u>\$ 19,495,113</u> | <u>\$ 17,618,284</u> |

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

**UNITED ENGINEERING FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
For the Years Ended December 31, 2023 and 2022

|                                       | <b>Net Assets<br/>Without Donor<br/>Restrictions</b> | <b>Net Assets<br/>With Donor<br/>Restrictions</b> | <b>Total</b>        | <b>2022<br/>Total</b> |
|---------------------------------------|--|---|---------------------|-----------------------|
| <b>Revenue and Support--</b>          |  |   |                     |                       |
| Investment income                     | \$ 481,092   | \$ -  | \$ 481,092          | \$ 438,048            |
| Realized losses                       | (40,319)   | -   | (40,319)            | (41,472)              |
| Unrealized gains (losses)             | 2,375,110  | -   | 2,375,110           | (3,603,919)           |
| Net assets released from restrictions | -  | -   | -                   | -                     |
| Total Revenue and Support             | <u>2,815,883</u>                                     | <u>-</u>  | <u>2,815,883</u>    | <u>(3,207,343)</u>    |
| <b>Expenses--</b>                     |  |   |                     |                       |
| Program expenses                      |  |   |                     |                       |
| Grants for Engineering                | 735,199  | -   | 735,199             | 897,654               |
| Investment management fees            | 48,200   | -   | 48,200              | 48,044                |
| Outside services                      | 128,153  | -   | 128,153             | 123,591               |
| Website                               | 1,742  | -   | 1,742               | 1,787                 |
| Insurance                             | 6,095  | -   | 6,095               | 6,016                 |
| Excise tax                            | 2,121  | -   | 2,121               | 9,144                 |
| Legal and audit fees                  | 14,765   | -   | 14,765              | 10,875                |
| Meetings                              | -  | -   | -                   | 1,150                 |
| Rent                                  | 1,261  | -   | 1,261               | 1,053                 |
| Office expenses                       | 959  | -   | 959                 | 199                   |
| Travel                                | 1,650  | -   | 1,650               | 1,120                 |
| Other expenses                        | -  | -   | -                   | 1,134                 |
| Total Expenses                        | <u>940,145</u>                                       | <u>-</u>  | <u>940,145</u>      | <u>1,101,767</u>      |
| <b>Changes in Net Assets</b>          | 1,875,738  | -   | 1,875,738           | (4,309,110)           |
| <b>Net Assets - Beginning of Year</b> | <u>14,650,052</u>                                    | <u>2,944,400</u>                                  | <u>17,594,452</u>   | <u>21,903,562</u>     |
| <b>Net Assets - End of Year</b>       | <u>\$16,525,790</u>                                  | <u>\$ 2,944,400</u>                               | <u>\$19,470,190</u> | <u>\$17,594,452</u>   |

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

**UNITED ENGINEERING FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2023 and 2022**

|  | <b>2023</b>  | <b>2022</b>    |
|--|--------------|----------------|
| Cash flows from operating activities:  |              |                |
| Changes in net assets  | \$ 1,875,738 | \$ (4,309,110) |
| Adjustments to reconcile changes in net assets to net cash used in operating activities: |              |                |
| Realized losses on investments   | 40,319       | 41,472         |
| Unrealized (gains) losses on investments   | (2,375,110)  | 3,603,919      |
| <br>Net change in operating assets and liabilities:                                      |              |                |
| Prepaid expenses and other assets  | 979          | (4,821)        |
| Accounts payable and accrued expenses  | 1,091        | (67,337)       |
| Grants payable   | -            | (154,245)      |
| Net cash used in operating activities  | (456,983)    | (890,122)      |
| <br>Cash flows from investing activities:  |              |                |
| Proceeds from sales of investments   | 1,404,816    | 3,161,524      |
| Purchases of investments   | (945,504)    | (2,625,744)    |
| Net cash provided by investing activities  | 459,312      | 535,780        |
| <br>Net increase (decrease) in cash and cash equivalents                                 | 2,329        | (354,342)      |
| <br>Cash and Cash Equivalents - beginning of year  | 8,280        | 362,622        |
| <br>Cash and Cash Equivalents - end of year  | \$ 10,609    | \$ 8,280       |

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

**UNITED ENGINEERING FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023**

**Note 1 – Organization and Significant Accounting Policies**

*a) Organization*

United Engineering Foundation, Inc. (UEF) is a non-profit corporation which is involved in the advancement of the engineering arts and sciences in all branches by making grants.

*b) Basis of Presentation*

The financial statements of the Organization have been prepared on the accrual basis in accordance with generally accepted accounting principles accepted in the United States of America.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net Assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

*Net Assets- Endowment Funds*

The Organization endowments consist of 26 funds held with an institutional investment company. All the endowment funds are donor restricted. The Organization is subject to the New York State Prudent Management of Institutional Funds Act (NYSPMIFA) and, thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions. The Board of Trustees of the Organization has interpreted NYSSPMIFA as requiring the maintenance of the original gift in perpetuity that was contributed to the endowment fund unless a donor stipulates to the contrary. All investment income from the restricted endowment funds are unrestricted in the accompanying Statements of Activities. At December 31, 2023 and 2022 the balance in Net assets with donor restrictions is \$2,944,400.

The Organization has interpreted NYSPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. The Organization includes all endowments in two investment accounts.

*c) Cash and Cash Equivalents*

The Organization considers all unrestricted cash and other highly liquid investments with an initial maturity of three months or less to be cash equivalents.

*d) Restricted Cash*

The Organization considers any restricted funding, in the possession of the Organization and prior to being spent, restricted cash and the amount is segregated from the Organization's operating cash. The Organization had no restricted cash as of December 31, 2023 and 2022.

**UNITED ENGINEERING FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

*e) Income Tax Status*

The United Engineering Foundation, Inc. qualifies as a tax-exempt private foundation under Section 501 (c) (3) of the Internal Revenue Code and therefore, is subject to an excise tax of 1.39% on net taxable investment income of the foundation.

The Organization's Forms 990PF *Return of Private Foundation*, for the years ending 2021, 2022 and 2023 are subject to examination by the IRS, generally for three years after they were filed.

*f) Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*g) Investments*

Investments in marketable securities with readily determinable fair values and debt securities are reported at their fair values while investments in hedged funds and other alternative investments have been valued at net asset values (NAV) determined by Glenmede Trust in the statement of financial position. Unrealized gains (losses) along with investment income and realized gains (losses) are reported in unrestricted net assets. Gains and losses are recorded on a trade date basis.

*h) Risks and Uncertainties*

The Organization invests in a variety of investment options. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such change could materially affect the amounts reported in the statement of financial position.

*i) Functional Expenses*

The costs of providing engineering arts and science grants have been summarized on a functional basis in the statements of activities.

*j) Reclassifications*

Certain reclassifications have been made to the 2022 financial statements in order that they conform to the current year presentation.

**Note 2 – Concentration of Credit Risk**

Financial instruments which potentially subject the Organization to concentrations of credit risk include marketable debt securities. The Organization places its temporary cash investments with credit-worthy, high quality financial institutions.



**UNITED ENGINEERING FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023**

**Note 3 – Cash**

The Organization maintains two cash accounts at a bank located in the Philadelphia area. The balance is insured by the Federal Deposit Insurance Corporation up to allowed limits per depositor. There were no uninsured balances for the years ended December 31, 2023 and 2022, respectively.

**Note 4 – Liquidity and Availability of Financial Assets**

The following reflects the Organization's financial assets as of the December 31, 2023 and 2022 balance sheet dates, reduced by amounts not available for general use because of donor restricted endowment gifts maintained in perpetuity.

|   | <u>2023</u>              | <u>2022</u>              |
|---|--------------------------|--------------------------|
| Financial assets, at year end   |                          |                          |
| Cash and cash equivalents   | \$ 10,609                | \$ 8,280                 |
| Investments, at fair value  | 19,477,708               | 17,602,229               |
|   | <u>19,488,317</u>        | <u>17,610,509</u>        |
| <br>Donor restricted to maintain endowments   | <br><u>(2,944,400)</u>   | <br><u>(2,944,400)</u>   |
| <br>Financial assets available to meet cash needs for<br>general expenditures within one year | <br><u>\$ 16,543,917</u> | <br><u>\$ 14,666,109</u> |

**Note 5 – Fair Value Measurement**

The Organization's investments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurements authoritative literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active market for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority.

The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or 2 inputs were not available.

*Level 1 Fair Value Measurements*

Quoted prices in active market that is accessible at the measurement date for identical investments, unrestricted assets or liabilities.

**UNITED ENGINEERING FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

Marketable securities and U.S. Government securities are valued at the closing price reported on the active market on which the individual securities are traded. Mutual funds are valued at the net asset value (NAV) of shares held by the Organization at year end.

*Level 2 Fair Value Measurements*

Quoted prices in active markets that are accessible at the measurement date of similar investments, quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly.

*Level 3 Fair Value Measurements*

Significant unobservable inputs, including the Plan's own assumptions, are used in determining the fair value. Hedged funds, Liberty Special Strategies TE Fund, LLC, Glenmede Private Investment Fund VIII and the Glenmede Client Opportunities PFIC Pool, which are not readily marketable are valued at fair value as deemed appropriate by the Glenmede Trust. The shares reported by the Organization are proportionate to their capital contribution and are considered to be stated at fair value.

For those assets with fair value measured using Level 3 inputs, the Organization's investment manager determines the fair value measurement policies and procedures in consultation with the Organization's executive director. These policies and procedures are reassessed at least annually to determine if current valuation techniques are still appropriate.

At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

| <u>December 31, 2023</u>  | Quoted Prices<br>In Active<br>Markets for<br>Identical<br>Assets/Liabilities |   |  |                   |
|---------------------------|--|---|--|-------------------|
| Fair Value                | (Level 1)  | Significant Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |                   |
| <b>Money Market Fund</b>  | \$ 772,267   | \$ 772,267  | \$ -   | \$ -              |
| <b>Mutual Funds</b>       |  |   |  |                   |
| Fixed Income              | 4,903,195  | 4,903,195   | -  | -                 |
| Large Cap                 | 8,045,571  | 8,045,571   | -  | -                 |
| Small/Mid Cap             | 1,514,544  | 1,514,544   | -  | -                 |
| International             | 3,948,185  | 3,948,185   | -  | -                 |
| Equity Funds              | 32,964   | 32,964  | -  | -                 |
| Emerging Markets          | 9,641  | 9,641   | -  | -                 |
| <b>Alternative Assets</b> |  |   |  |                   |
| Private Equity            | 234,158  | -   | -  | 234,158           |
| Absolute Return           | 17,183   | -   | -  | 17,183            |
| <b>Total</b>              | <b>\$ 19,477,708</b>   | <b>\$ 19,226,367</b>                                | <b>\$ -</b>  | <b>\$ 251,341</b> |

**UNITED ENGINEERING FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023

| <u>December 31, 2022</u>  | Fair Value           | Quoted Prices<br>In Active<br>Markets for<br>Identical<br>Assets/Liabilities<br>(Level 1) | Significant Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|---------------------------|----------------------|---|---|--|
| <b>Money Market Fund</b>  | \$ 326,121           | \$ 326,121  | \$ -  | \$ -   |
| <b>Mutual Funds</b>       |                      |   |   |  |
| Fixed Income              | 4,760,033            | 4,760,033   | -   | -  |
| Large Cap                 | 7,252,854            | 7,252,854   | -   | -  |
| Small/Mid Cap             | 1,304,589            | 1,304,589   | -   | -  |
| International             | 3,644,801            | 3,644,801   | -   | -  |
| Equity Funds              | 22,783               | 22,783  | -   | -  |
| Emerging Markets          | 9,036                | 9,036   | -   | -  |
| <b>Alternative Assets</b> |                      |   |   |  |
| Private Equity            | 264,456              | -   | -   | 264,456  |
| Absolute Return           | 17,556               | -   | -   | 17,556   |
| <b>Total</b>              | <b>\$ 17,602,229</b> | <b>\$ 17,320,217</b>  | <b>\$ -</b>   | <b>\$ 282,012</b>                                  |

The following table reconciles the beginning and ending balances of fair value measurements using significant unobservable inputs (Level 3) for the hedge funds for December 31, 2023.

|  | Liberty Special<br>Strategies TE<br>Fund LLC | Glenmede<br>Client<br>Opportunities<br>PFIC Pool | Glenmede<br>Private<br>Investment<br>Fund VIII | Total             |
|--|--|--|--|-------------------|
| Beginning balance  | \$ 17,556                                    | \$ 31,783  | \$ 232,673                                     | \$ 282,012        |
| Total unrealized gain (loss)<br>in statement of activities | (17)   | (13,696)   | 10,398   | (3,315)           |
| Total realized gain<br>in statement of activities          | -  | -  | -  | -                 |
| Withdrawals  | (450)  | (4,800)  | (12,000)                                       | (17,250)          |
| Contributions / Purchases                                  | -  | -  | -  | -                 |
| Adjustments / True-up                                      | 94   | 4,800  | (15,000)                                       | (10,106)          |
| Ending balance   | <b>\$ 17,183</b>                             | <b>\$ 18,087</b>                                 | <b>\$ 216,071</b>                              | <b>\$ 251,341</b> |

The Organization's policy is to recognize transfers into and out of Level 3 at the end of the reporting period. For the years ended December 31, 2023 and 2022, there were no significant transfers into or out of Level 3.

**Note 6 – Related Party Transactions**

The Organization entered into an agreement on January 1, 2020 with an individual to act as the executive director for \$92,500 per year. The agreement automatically renews for successive one-year terms upon approval from both parties. For the years ending December 31, 2023 and 2022, the Organization paid the executive director \$103,302 and \$98,004, respectively.

**UNITED ENGINEERING FOUNDATION  
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**Note 7 – Administrative Services**

The Organization utilizes a third-party administrative service on a month-to-month basis which can be terminated by either party upon written notice. For the year ended December 31, 2022 administrative services amounted to \$30,000. Starting January 1, 2022, this fee has been reduced to \$18,000.

In addition, the Organization paid its Administrative Assistant \$6,851 and \$7,587 for the years ended December 31, 2023 and 2022, respectively.

**Note 8 – Subsequent Events**

*Date of Management's Evaluation.*

The date to which events occurring after December 31, 2023, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosures is June 19, 2024, which is the date the financial statements were available to be issued.