

**INFECTIOUS DISEASES SOCIETY OF AMERICA
AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2023 AND 2022



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Infectious Diseases Society of America and Affiliate
Arlington, Virginia

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Infectious Diseases Society of America and Affiliate, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Infectious Diseases Society of America and Affiliate as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter

Adoption of Accounting Standards

As discussed in Note 1 to the consolidated financial statements, management has adopted the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Update 2016-13: *Current Expected Credit Loss*. Our opinion is not modified with regard to this matter.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Infectious Diseases Society of America and Affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Infectious Diseases Society of America and Affiliate'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
September 23, 2024

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022**

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 1,567,006	\$ 3,249,796
Investments	53,169,417	48,915,225
Accounts Receivable	3,856,171	5,849,802
Due from PIDS	249,140	234,646
Due from SHEA	414,941	512,024
Prepaid Expenses	823,823	830,434
Property and Equipment, Net	1,938,692	2,264,991
Deferred Compensation Plan Assets	212,545	156,149
Right-of-Use Asset - Operating, Net	6,712,606	7,442,775
	\$ 68,944,341	\$ 69,455,842
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 2,918,896	\$ 4,207,655
Deferred Compensation Plan Liabilities	212,545	156,149
Deferred Revenue	4,312,114	5,001,749
Lease Liability - Operating	8,980,799	9,843,733
Refundable Advance	280,000	-
Total Liabilities	16,704,354	19,209,286
NET ASSETS		
Without Donor Restrictions	51,337,860	46,857,420
With Donor Restrictions	902,127	3,389,136
Total Net Assets	52,239,987	50,246,556
Total Liabilities and Net Assets	\$ 68,944,341	\$ 69,455,842

See accompanying Notes to Consolidated Financial Statements.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS		
Journals	\$ 9,316,027	\$ 9,090,052
IDWeek Annual Meeting	16,090,949	14,657,509
Membership	3,510,483	3,317,211
Contributions	1,843,359	2,290,096
Management Services	2,164,832	1,863,617
Interest and Dividends, Net	1,211,281	701,095
Education Programs	867,972	756,635
Other Income	523,352	400,482
Net Assets Released from Restrictions	6,316,407	4,156,563
Total Revenue and Support	41,844,662	37,233,260
EXPENSES		
Program Services:		
Member Services	17,398,670	13,821,198
Meetings	10,537,806	8,950,579
Education	3,705,802	3,896,188
Total Program Services	31,642,278	26,667,965
Supporting Services:		
General and Administrative	6,023,920	5,691,065
Management Services	2,164,833	1,886,493
Governance	2,437,736	2,147,284
Total Supporting Services	10,626,489	9,724,842
Total Expenses	42,268,767	36,392,807
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE GAIN (LOSS) ON INVESTMENTS	(424,105)	840,453
Gain (Loss) on Investments	4,904,545	(7,340,187)
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	4,480,440	(6,499,734)
REVENUE AND SUPPORT WITH DONOR RESTRICTIONS		
Contributions	691,714	3,544,031
Awards and Fellowships	3,137,684	3,384,750
Net Assets Released from Restrictions	(6,316,407)	(4,156,563)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(2,487,009)	2,772,218
CHANGE IN NET ASSETS	1,993,431	(3,727,516)
Net Assets - Beginning of Year	50,246,556	53,974,072
NET ASSETS - END OF YEAR	\$ 52,239,987	\$ 50,246,556

See accompanying Notes to Consolidated Financial Statements.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023								
	Program Services				Supporting Services				
	Member Services	Education	Meetings	Total Program Services	General and Administrative	Management Services	Governance	Total Supporting Services	Total Expenses
Salaries and Benefits	\$ 6,128,712	\$ 974,716	\$ 1,316,148	\$ 8,419,576	\$ 3,906,991	\$ 1,915,170	\$ 1,193,779	\$ 7,015,940	\$ 15,435,516
Professional Fees	5,988,614	2,484,654	1,265,439	9,738,707	1,785,671	-	446,701	2,232,372	11,971,079
Event and Travel	468,925	30,123	7,177,846	7,676,894	242,732	-	492,472	735,204	8,412,098
Grant and Award	3,187,673	-	-	3,187,673	-	-	-	-	3,187,673
Office Expense	1,492,685	195,301	750,013	2,437,999	8,636	209,573	279,894	498,103	2,936,102
Depreciation and Amortization	132,061	21,008	28,360	181,429	79,890	40,090	24,890	144,870	326,299
Total Functional Expenses	\$ 17,398,670	\$ 3,705,802	\$ 10,537,806	\$ 31,642,278	\$ 6,023,920	\$ 2,164,833	\$ 2,437,736	\$ 10,626,489	\$ 42,268,767

	2022								
	Program Services				Supporting Services				
	Member Services	Education	Meetings	Total Program Services	General and Administrative	Management Services	Governance	Total Supporting Services	Total Expenses
Salaries and Benefits	\$ 5,236,692	\$ 1,318,132	\$ 1,315,344	\$ 7,870,168	\$ 3,258,726	\$ 1,664,545	\$ 1,110,379	\$ 6,033,650	\$ 13,903,818
Professional Fees	5,918,627	2,233,422	672,246	8,824,295	1,998,778	-	257,710	2,256,488	11,080,783
Event and Travel	325,627	21,683	6,289,994	6,637,304	78,789	-	515,182	593,971	7,231,275
Office Expense	1,388,213	290,268	642,377	2,320,858	278,916	183,201	238,166	700,283	3,021,141
Grant and Award	830,141	2,000	-	832,141	-	-	-	-	832,141
Depreciation and Amortization	121,898	30,683	30,618	183,199	75,856	38,747	25,847	140,450	323,649
Total Functional Expenses	\$ 13,821,198	\$ 3,896,188	\$ 8,950,579	\$ 26,667,965	\$ 5,691,065	\$ 1,886,493	\$ 2,147,284	\$ 9,724,842	\$ 36,392,807

See accompanying Notes to Consolidated Financial Statements.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,993,431	\$ (3,727,516)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	326,299	323,649
Loss (Gain) on Investments	(4,904,545)	7,340,187
(Increase) Decrease in Assets:		
Contributions and Accounts Receivable	1,993,631	(2,430,259)
Prepaid Expenses	6,611	(412,052)
Due from PIDS	(14,494)	(159,394)
Due from SHEA	97,083	(242,640)
Amortization of Right-of-Use Asset - Operating	729,809	716,071
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(1,288,759)	401,747
Deferred Revenue	(689,635)	(1,168,652)
Refundable Advance	280,000	(280,000)
Lease Liability - Operating	(862,934)	(821,947)
Net Cash Used by Operating Activities	(2,333,503)	(460,806)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	13,754,632	5,179,337
Purchases of Investments	(13,103,919)	(10,235,400)
Purchases of Property and Equipment	-	(5,686)
Net Cash Provided (Used) by Investing Activities	650,713	(5,061,749)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,682,790)	(5,522,555)
Cash and Cash Equivalents - Beginning of Year	3,249,796	8,772,351
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,567,006	\$ 3,249,796

See accompanying Notes to Consolidated Financial Statements.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Infectious Diseases Society of America (IDSA) was incorporated in 1970 under the laws of the District of Columbia as a nonprofit corporation. IDSA is an organization of physicians, doctoral level scientists and other healthcare professionals from around the world. It exists to promote and recognize excellence in research, patient care, public health, disease prevention and education in the field of infectious diseases and associated disciplines.

IDSA Education and Research Foundation (the Foundation) was incorporated in 2001 under the laws of the commonwealth of Virginia as a nonprofit corporation. The Foundation is a charitable organization dedicated to supporting IDSA's education and research mission worldwide. In February 2018, the Foundation filed with the commonwealth of Virginia to register a trade name of IDSA Foundation, as an alternative to a legal name change.

A summary of IDSA's significant accounting policies follows:

Principles of Consolidation

The consolidated financial statements include the accounts of IDSA and the Foundation (collectively referred to as the Organization). All significant intercompany accounts and transactions have been eliminated in consolidation.

Income Taxes

IDSA is exempt from income taxes under Internal Revenue Code Section (IRC) 501(c)(6). However, it is subject to income taxes on its unrelated business activities. The Foundation is exempt from income taxes under IRC Section 501(c)(3). The Foundation qualifies for the charitable contribution deduction and has been classified as an organization other than a private foundation.

Basis of Accounting

The Organization prepares its consolidated financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when they are earned, and expenses are recognized when the underlying obligations are incurred.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from estimates.

Cash and Cash Equivalents

For financial statement purposes, the Organization considers all highly liquid investments purchased with a maturity of three months or less including amounts held by investment custodians to be cash equivalents. The Organization maintains demand deposit accounts with commercial banks which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk on cash.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are carried at fair value. To adjust the carrying value of these investments, the change in fair market value is recorded as a component of investment income in the consolidated statement of activities. The Organization invests funds in a professionally managed portfolio. Such investments are exposed to market and credit risks. Thus, the Organization's investments may be subject to significant fluctuation in fair value. As a result, the investment balances reported in the accompanying consolidated financial statements may not be reflective of the portfolio's value during subsequent periods.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances.

Current Expected Credit Loss (CECL)

The Organization uses a combination of historical loss information based on the aging of receivables and collectability of specific accounts, current economic conditions, and forward-looking information to determine expected credit losses for trade and notes receivables recorded at amortized cost.

Significant Inputs and Assumptions Used in the Estimation of Credit Losses may include:

- Historical loss experience
- Current economic conditions
- Economic indicators

Based on management's analysis an allowance for credit loss is not considered necessary.

Property and Equipment

Acquisitions of property and equipment greater than or equal to \$2,500 are capitalized at cost and depreciated using the straight-line method over the estimated useful lives of the assets (three to ten years). Leasehold improvements are recorded at cost and amortized over the remaining term of the lease.

Valuation of Long-Lived Assets

The Organization reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

Deferred Revenue

Deferred revenue consists of membership, journals, meetings, amounts and other fees received in advance of the period in which they are earned.

INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Organization leases office space. The Organization determines if an arrangement is a lease at inception. Operating leases are included in the right-of-use asset (ROU) and lease liability on the consolidated statements of financial position.

The ROU asset represents the Organization's right to use an underlying asset for the lease term and the lease liability represents the Organization's obligation to make lease payments arising from the lease. The ROU asset and lease liability are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Organization uses the risk-free rate based on information available at commencement date in determining the present value of lease payments. The ROU asset also includes the lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the consolidated statements of financial position.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The individual lease contract does not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liability.

Net Assets

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

Net Assets Without Donor Restrictions – Represent resources that are neither invested in perpetuity, nor purpose or time restricted by donor imposed stipulations.

Net Assets with Donor Restrictions – Represent resources whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to these stipulations. Net assets may be restricted for various purposes, such as use in future periods or use for specified purposes.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

The Organization recognizes unconditional contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received which include unconditional promises to give (pledges). Pledges are recognized as revenue without donor restrictions in the period received at their net present value unless their use is restricted by donor stipulation. Conditional contributions, for which there is a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The pledge receivable balance included in accounts receivable in the consolidated statement of financial position at December 31, 2023 and 2022, is expected to be collected in less than one year and is considered by management to be fully collectable.

Contributions include reimbursement from government awards subject to cost reimbursement arrangements. Under the agreements, IDSA must incur qualifying expenses according to the award budget and maintain compliance with certain stipulated requirements as a condition of receiving reimbursement.

The total amount of conditional contributions unfulfilled and not yet recognized at December 31, 2023 and 2022 was approximately \$2,100,000 and \$4,500,000, respectively.

Revenue Recognition

Membership dues are recognized ratably over the period of membership, and is on a calendar year basis which aligns to the Organization's fiscal year. All performance obligations are delivered to members through the membership period. Dues revenues that are prepaid by members are included in deferred revenue.

Journal revenue consists primarily of fees received under an agreement between IDSA and a publisher. The total fee includes three primary performance obligations: a royalty based on sales, editorial services, and amortization of signing bonus. The signing bonus is refundable for nonperformance under the agreement. The amount to be refunded can be calculated by prorating the years remaining in the contract to total years under the agreement. Revenue is recognized over the time according to the agreement.

IDWeek Meeting revenue consists of registration, exhibits and sponsorships. All meetings revenue is recognized in the year of the related event (at a point in time).

Management fee revenue consists of fees for providing management and back-office services to affiliated organizations under shared service agreements. Revenue is recognized as services are provided (at a point in time).

Education programs include multi-day training courses on infectious disease topics. Revenue is recognized at the time the training is delivered (at a point in time).

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. The majority of expenses are directly identified with a program activity or program service. However, certain costs are attributable to more than one program or supporting function and require allocation on a reasonable basis that is consistently applied. Accordingly, certain costs, such as salaries and benefits, office expense, event and travel, professional fees, grants and award and depreciation, have been allocated among the programs and supporting services, primarily based on employee efforts.

Adoption of New Accounting Standard

At the beginning of 2023, the Organization adopted FASB ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended*, which modifies the measurement of expected credit losses. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the Organization's consolidated financial statements but did change how the allowance for credit losses is determined.

Measure of Operations

The Organization presents an intermediate measure from nonoperational activities on the consolidated statements of activities.

Subsequent Events

In preparing the consolidated financial statements, management has evaluated subsequent events through September 23, 2024, the date on which the consolidated financial statements were available to be issued.

INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 1,567,006	\$ 3,249,796
Investments	53,169,417	48,915,225
Accounts and Contract Receivable	3,856,171	5,849,802
Due from PIDS	249,140	234,646
Due from SHEA	414,941	512,024
Total	<u>59,256,675</u>	<u>58,761,493</u>
Less: Donor-Restricted Funds	<u>(902,127)</u>	<u>(3,389,136)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 58,354,548</u>	<u>\$ 55,372,357</u>

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

As part of its liquidity management, the Organization's policy is to maintain an investment fund reserve equal to 50% of the annual operating budget, plus the total current liabilities of the Organization. The policy also states that a maximum of 35% of the Organization's annual operating budget is held in bank accounts or short-term investments accrued from accumulated operating surplus.

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization reports certain assets and liabilities at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Such inputs may be the underlying market values of traded equities in an investment that is not itself traded on the market.

Level 3 – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

Fair values of assets and liabilities measured on a recurring basis were as follows at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 1,685,037	\$ -	\$ -	\$ 1,685,037
Mutual Funds - Fixed Income	20,062,751	-	-	20,062,751
Equity Funds	26,749,327	-	-	26,749,327
Total Investments at Fair Value Portfolio	48,497,115	-	-	48,497,115
Assets Held to Fund				
Deferred Compensation:				
Equity Funds	212,545	-	-	212,545
Total Assets at Fair Value	<u>\$ 48,709,660</u>	<u>\$ -</u>	<u>\$ -</u>	48,709,660
Alternative Investments Held at Net Asset Value				<u>4,672,302</u>
Total Assets at Fair Value and Net Asset Value				<u>\$ 53,381,962</u>
Deferred Compensation Liability	<u>\$ 212,545</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,545</u>

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Fair values of assets and liabilities measured on a recurring basis were as follows at December 31, 2022:

	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 1,608,795	\$ -	\$ -	\$ 1,608,795
Certificates of Deposit	-	8,595,246	-	8,595,246
Mutual Funds - Fixed Income	12,817,073	-	-	12,817,073
Equity Funds	21,877,478	-	-	21,877,478
Total Investment Portfolio	36,303,346	8,595,246	-	44,898,592
Assets Held to Fund				
Deferred Compensation:				
Equity Funds	156,149	-	-	156,149
Total Assets at Fair Value	\$ 50,416,536	\$ 222,433	\$ -	\$ 50,638,969
Alternative Investments Held at Net Asset Value				4,016,633
Total Assets at Fair Value and Net Asset Value				\$ 4,016,633
Deferred Compensation Liability	\$ 156,149	\$ -	\$ -	\$ 156,149

Alternative Investment Held at Net Asset Value

The objectives of these funds are to realize long-term returns by investing in a diversified group of pooled investment vehicles. IDSA's determination of fair value is based upon best available information and may incorporate management assumptions and best estimates after considering a variety of internal and external factors. The values generally represent IDSA's proportionate share of the fund's capital as reported by the fund manager. IDSA has decided through monitoring the valuation methodologies and practices of managers to rely on fair value reported by the fund managers, unless information becomes available indicating the reported NAV may require adjustment. IDSA assessed factors including, but not limited to, the external advisors' adherence to fair value principles in calculating the capital account balance, IDSA's ability to redeem these investments at NAV at the measurement date, and the existence or absence of certain restrictions at the measurement date. IDSA believes the reported amount of the alternative investments is a reasonable estimate of the fair value as of December 31, 2023, and 2022. IDSA has no plans to sell the investments for a value other than the NAV as of December 31, 2023, and 2022.

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NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Alternative Investment Held at Net Asset Value (Continued)

The following table presents fair value measurements of investments in certain entities that calculate net assets value per share (or its equivalents) and their remaining commitments as of December 31, 2023, and 2022:

<u>Investments</u>	2023 <u>Amount</u>	2022 <u>Amount</u>	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Ironwood Institutional Multi-Strategy Fund LLC	\$ 2,194,934	\$ 1,836,322	None	None and subject to fund discretion	N/A
Blackstone Real Estate Income Trust	1,079,560	964,042	None	None and subject to fund discretion	N/A
Blue Owl Credit income	789,310	634,811	None	Quarterly frequency subject to fund discretion	N/A
Abbey Capital Daily Futures Fund Limited	<u>608,498</u>	<u>581,458</u>	None	N/A	N/A
Alternative Investments Held at Net Asset Value	<u>\$ 4,672,302</u>	<u>\$ 4,016,633</u>			

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Furniture and Equipment	\$ 528,666	\$ 528,666
Software	1,465,414	1,465,414
Leasehold Improvements	<u>2,034,916</u>	<u>2,034,916</u>
Total	4,028,996	4,028,996
Less: Accumulated Depreciation and Amortization	<u>(2,090,304)</u>	<u>(1,764,005)</u>
Property and Equipment, Net	<u>\$ 1,938,692</u>	<u>\$ 2,264,991</u>

NOTE 5 ACCOUNTS RECEIVABLE AND DEFERRED REVENUE

Accounts receivable and deferred revenue from contracts with customers consist of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Accounts Receivable		
Ending Balance	\$ 3,713,184	\$ 5,667,945
Opening Balance	5,667,945	3,302,959
Deferred Revenue		
Ending Balance	\$ 4,312,114	\$ 5,001,749
Opening Balance	5,001,749	6,170,401

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NOTE 5 ACCOUNTS RECEIVABLE AND DEFERRED REVENUE (CONTINUED)

Accounts receivable disaggregated by major category is as follows as of December 31:

	<u>2023</u>	<u>2022</u>
Journal Royalties	\$ 2,295,216	\$ 2,242,409
IDSA Foundation Contributions Receivable	355,000	562,179
CDC Federal Grants	451,919	366,199
Meeting and Other Receivable	754,036	2,679,015
Total Accounts Receivable	<u>\$ 3,856,171</u>	<u>\$ 5,849,802</u>

Deferred revenue disaggregated by major category is as follows as of December 31:

	<u>2023</u>	<u>2022</u>
Journals Signing Bonus	\$ 2,857,143	\$ 3,571,429
Membership Dues	1,075,326	1,052,320
Other	379,645	378,000
Total Deferred Revenue	<u>\$ 4,312,114</u>	<u>\$ 5,001,749</u>

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following:

	<u>January 1, 2023</u>	<u>Contributions</u>	<u>Releases from Restriction</u>	<u>December 31, 2023</u>
Alzheimers Research	\$ 3,141,985	\$ -	\$ (2,535,278)	\$ 606,707
HIVMA Clinical Fellowship Program	77,273	100,000	(96,269)	81,004
Watanakunakorn Clinician Awards	78,747	-	(3,000)	75,747
ID Step	-	150,000	(100,633)	49,367
Moellering Trainee Travel Grants	47,601	-	-	47,601
DEI	-	75,000	(40,113)	34,887
Korzenowski Overseas Mission	6,814	-	-	6,814
IDea Incubator	36,716	50,000	(86,716)	-
Protecting and Improving Health Globally (CDC)	-	3,137,684	(3,137,684)	-
Grants for Emerging Researchers/Clinicians	-	-	-	-
Mentorship (GERM)	-	225,000	(225,000)	-
Mentorship	-	91,714	(91,714)	-
Total	<u>\$ 3,389,136</u>	<u>\$ 3,829,398</u>	<u>\$ (6,316,407)</u>	<u>\$ 902,127</u>

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NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	January 1, 2022	Contributions	Releases from Restriction	December 31, 2022
Alzheimers Research	\$ -	\$ 3,300,000	\$ (158,015)	\$ 3,141,985
Watanakunakorn				
Clinician Awards	82,811	-	(4,064)	78,747
HIVMA Clinical				
Fellowship Program	286,285	-	(209,012)	77,273
Moellering Trainee Travel Grants	47,601	-	-	47,601
IDEa Incubator	23,918	50,000	(37,202)	36,716
Korzenowski Overseas Mission	6,814	-	-	6,814
Protecting and Improving				
Health Globally (CDC)	-	3,384,750	(3,384,750)	-
Grants for Emerging				
Researchers/Clinicians				
Mentorship (GERM)	169,489	-	(169,489)	-
IDWeek Foundation Lounge	-	75,000	(75,000)	-
Mentorship	-	69,031	(69,031)	-
Memorial Education	-	50,000	(50,000)	-
Total	<u>\$ 616,918</u>	<u>\$ 6,928,781</u>	<u>\$ (4,156,563)</u>	<u>\$ 3,389,136</u>

NOTE 7 JOURNALS

In 2014, IDSA and Oxford University Press launched a new open access journal, *Open Forum Infectious Diseases*. In December 2019, the Organization entered into a new agreement with Oxford University Press for publication of these journals through 2027. In consideration for entering into the agreement, the Organization received \$5,000,000, which is being amortized and recognized to revenue on a straight-line basis over the contract period. For the years ended December 31, 2023 and 2022, revenues earned from Oxford University Press totaled \$9,316,027 and \$9,090,052, respectively.

NOTE 8 RELATED PARTY TRANSACTIONS

The Society for Healthcare Epidemiology of America, Inc. (SHEA)

In January 2014, IDSA entered into an agreement with SHEA, a nonprofit corporation exempt under Section 501(c)(6) of the IRC, to continue to provide facilities and management and administrative services through 2016, which later extended until 2019. In March 2020, IDSA extended its Administrative Services Agreement with SHEA to provide management services through 2022 (automatically renews for successive terms of one year) and signed a Licensing Agreement to provide facilities and related office services through 2032. SHEA reimburses IDSA at cost for all salary and benefits of the SHEA professional staff paid by IDSA and an allocation of overhead from IDSA's offices.

Total revenue related to these services for the years ended December 31, 2023 and 2022 totaled \$1,538,345 and \$1,379,862, respectively. Due to operations and IDWeek royalties (see below), SHEA owed IDSA \$414,941 and \$512,024, as of December 31, 2023 and 2022, respectively.

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NOTE 8 RELATED PARTY TRANSACTIONS (CONTINUED)

Pediatric Infectious Diseases Society (PIDS)

Effective September 1, 1998, IDSA entered into an agreement with PIDS, a nonprofit organization exempt under Section 501(c)(6) of the IRC, to provide facilities and management and administrative services. PIDS reimburses IDSA at cost for all salary and benefits of the PIDS professional staff paid by IDSA and a fixed management fee. In March 2020, IDSA extended its Administrative Services Agreement with PIDS to provide management services through 2022 (automatically renews for successive terms of one year) and signed a Licensing Agreement to provide facilities and related office services through 2032.

Total revenue related to these services for the years ended December 31, 2023 and 2022, totaled \$626,487 and \$483,755, respectively. Due to operations and IDWeek royalties (see below), PIDS owed IDSA \$249,140 and \$234,646 as of December 31, 2023 and 2022, respectively.

IDSA Foundation

In March 2020, IDSA signed an Administrative Services Agreement with IDSA Foundation to provide management services through 2022 (automatically renews for successive terms of one year) and a Licensing Agreement to provide facilities and related office services through 2032.

IDWeek

IDSA has agreements with SHEA and PIDS to co-host the IDWeek annual meeting, with the agreements expiring in 2024. Based on the agreements and net profits from the event, SHEA's and PIDS' royalties for the year ended December 31, 2023, totaled \$1,311,946 and \$331,188, respectively. For the year ended December 31, 2022, SHEA's and PIDS' royalties totaled \$1,317,818 and \$333,329, respectively.

NOTE 9 RETIREMENT PLANS

401(k) Retirement Plan

Beginning January 1, 2017, employees are eligible to participate in the Organization's 401(k) plan on the first day of employment. The Organization provided a contribution equal to 3.5% of the employee's annual salary for the years ended December 31, 2023 and 2022, with immediate vesting. In addition, the employee may contribute to the plan and the Organization will match up to 2% of the employee's compensation, or up to the limits of the law, with a vesting period of three years. The Organization's contributions to the plan totaled \$537,253 and \$497,462 for the years ended December 31, 2023 and 2022, respectively.

457(b) Retirement Plan

During 2017, the Organization established under Section 457(b) of the IRC a deferred compensation plan available to eligible employees. Eligible employees earn 10% of the participants' salary, less any contribution to the 401(k) plan and subject to statutory limits. Expenses related to the Plan totaled \$19,500 for each of the years ended December 31, 2023 and 2022. At December 31, 2023 and 2022, the investment assets and associated liabilities totaled \$160,818 and \$121,728, respectively.

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NOTE 9 RETIREMENT PLANS (CONTINUED)

457(f) Retirement Plan

During 2019, the Organization established under Section 457(f) of the IRC, a deferred compensation plan for benefit of an employee. The Organization will allocate to the deferred compensation account within 30 days following the end of each contract year an amount equal to 10% of the employee's salary excluding bonuses, less any Organization contributions to the 401(k) and the 457(b) plans. The plan shall provide for the employee to be fully vested after five years of employment or termination due to death, disability or involuntary termination without cause prior to vesting date. During the years ended December 31, 2023 and 2022, the expense related to the 457(f) deferred compensation plan totaled \$11,645 and \$10,098, respectively. At December 31, 2023 and 2022, the investment assets and associated liabilities totaled \$51,726 and \$34,421, respectively.

NOTE 10 COMMITMENTS AND CONTINGENCIES

Operating Lease

IDSA is obligated under a noncancellable lease for office space with an expiration date occurring in April 2032. The lease specifies scheduled rent increases over the lease term. The obligation under the lease is represented on the consolidated statements of financial position as a lease liability which is the discounted future lease payments.

A maturity analysis of annual cash flows for lease liabilities as of December 31, 2023, is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 1,043,527
2025	1,072,192
2026	1,101,797
2027	1,132,079
2028	1,163,184
Thereafter	4,109,255
Undiscounted Cash Flows	9,622,034
(Less) Imputed Interest	(641,235)
Total Present Value	<u>\$ 8,980,799</u>

Quantitative disclosures are as follows as of December 31:

Quantitative Disclosures	<u>2023</u>	<u>2022</u>
Operating lease cost	\$ 882,504	\$ 882,504
Operating cash flows from operating leases	1,015,631	988,380
operating lease liabilities:	-	8,158,848
Weighted-average remaining lease term - operating leases	8.3 years	9.3 years
Weighted-average discount rate - operating leases	1.63%	1.63%

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NOTE 10 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Future Meeting Sites

In February 2024, IDSA decided to change the dates for IDWeek 2025. The annual conference, originally scheduled for September 28 to October 6, 2025, in San Diego, was rescheduled to avoid conflicts with holidays during that time, and therefore necessitated a change to a different city to find available facilities.

IDSA believes it has a strong legal basis for rescheduling the conference; however, it has settled with three hotels in 2024 and is currently facing a lawsuit from another hotel. IDSA may be liable for additional costs related to the cancellation. Currently, IDSA is negotiating with the convention center and remaining hotels to mitigate these costs through possible settlements or future business agreements.

The total maximum exposure for cancellation costs, including current settlements, is estimated at \$2.3 million. The outcomes of the lawsuit and ongoing negotiations remain uncertain.

Federal Grants

IDSA participates in a number of federally assisted grant programs which are subject to financial and compliance audits by the federal agencies or their representatives. As such, there exists a contingent liability for potential questioned costs that may result from such an audit. Management does not anticipate any significant adjustments as a result of such an audit.

Employment Agreement

The Organization has an employment agreement with its Chief Executive Officer. Under the terms of the agreement, should the Organization terminate employment, the Organization would be obligated to pay a severance as stipulated in the agreement.

NOTE 11 CONCENTRATIONS OF REVENUE

The Organization's journal agreement, contracts with the CDC (included in Awards and Fellowships on the consolidated statement of activities), and IDWeek comprise a material amount of revenue of the Organization (65% and 59% for the years 2023 and 2022, respectively). Any disruption in these revenue streams could have a material adverse impact on the Organization's financial position and results of operations.



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