

**INFECTIOUS DISEASES SOCIETY OF AMERICA
AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2020 AND 2019**



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INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Infectious Diseases Society of America and Affiliate (the Organization), which comprise the consolidated statement of financial position as of December 31, 2020, the related consolidated statements of activities, functional expenses, and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 auditors' 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 Organization'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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Infectious Diseases Society of America and Affiliate as of December 31, 2020, and the results of their activities and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters – Adoption of Accounting Standard Updates

As discussed in Note 1 to the consolidated financial statements, in 2020 Infectious Diseases Society of America and Affiliate adopted new accounting guidance for recognizing revenue from contracts with customers and contributions made. Our opinion is not modified with respect to these matters.

Other Matter – Other Auditors

The 2019 consolidated financial statements and supplemental schedules of the Organization were audited by other auditors whose report dated August 18, 2020 expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2020 consolidated financial statements as a whole. The 2020 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. The 2019 consolidating statement of financial position and consolidating statement of activities was subjected to the auditing procedures applied in the 2019 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2019 consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Arlington, Virginia
August 25, 2021

INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

ASSETS	2020	2019
Cash and Cash Equivalents	\$ 3,615,388	\$ 812,199
Investments	44,908,872	38,375,648
Accounts Receivable	3,032,357	2,442,757
Due from PIDS	33,702	3,688
Due from SHEA	47,617	-
Prepaid Expenses	817,853	992,914
Deferred Compensation Plan Assets	103,242	63,791
Property and Equipment, Net	3,028,526	1,959,386
Total Assets	\$ 55,587,557	\$ 44,650,383
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 1,769,633	\$ 2,072,027
Due to SHEA	-	133,761
Deferred Compensation Plan Liabilities	103,242	63,791
Deferred Revenue	6,965,110	2,369,465
Deferred Rent	2,360,128	1,072,563
Total Liabilities	11,198,113	5,711,607
NET ASSETS		
Without Donor Restrictions	43,968,976	38,770,520
With Donor Restrictions	420,468	168,256
Total Net Assets	44,389,444	38,938,776
Total Liabilities and Net Assets	\$ 55,587,557	\$ 44,650,383

See accompanying Notes to Consolidated Financial Statements.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS		
Journals	\$ 8,389,806	\$ 7,258,982
IDWeek Annual Meeting	6,462,688	10,748,779
Membership	3,026,453	3,343,785
Contributions	933,780	1,247,586
Awards and Fellowships	286,520	314,237
Management Services	1,605,311	1,435,761
Interest and Dividends	655,809	864,034
Education Programs	436,753	460,517
Other Income	244,885	277,010
Emerging Infections Network	-	265,524
HIVMA	-	12,500
Net Assets Released from Restrictions	3,098,187	3,601
Total Revenue and Support	25,140,192	26,232,316
EXPENSES		
Program Services:		
Member Services	9,469,397	10,389,419
Education	4,619,496	934,418
Meetings	3,734,250	7,658,680
Total Program Services	17,823,143	18,982,517
Supporting Services:		
General and Administrative	3,765,698	3,061,962
Management Services	2,248,013	1,897,216
Governance	1,182,733	1,508,251
Total Supporting Services	7,196,444	6,467,429
Total Expenses	25,019,587	25,449,946
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE GAIN ON INVESTMENT	120,605	782,370
Gain on Investments	5,077,851	4,602,363
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	5,198,456	5,384,733
REVENUE AND SUPPORT WITH DONOR RESTRICTIONS		
Contributions	1,865,300	843,661
Awards and Fellowships	1,485,099	-
Net Assets Released from Restrictions	(3,098,187)	(770,131)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	252,212	73,530
CHANGE IN NET ASSETS	5,450,668	5,458,263
Net Assets - Beginning of Year	38,938,776	33,480,513
NET ASSETS - END OF YEAR	\$ 44,389,444	\$ 38,938,776

See accompanying Notes to Consolidated Financial Statements.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2020 AND 2019**

2020	Program Services				Supporting Services			Total Supporting Services	Total Expenses 2020
	Member Services	Education	Meetings	Total Program Services	General and Administrative	Management Services	Governance		
Salaries and Benefits	\$ 3,129,834	\$ 1,901,692	\$ 1,055,745	\$ 6,087,271	\$ 1,900,927	\$ 1,712,035	\$ 490,471	\$ 4,103,433	\$ 10,190,704
Professional Fees	4,126,091	1,984,065	452,887	6,563,043	1,288,907	25,752	471,683	1,786,342	8,349,385
Office Expense	541,841	475,435	455,979	1,473,255	471,478	424,628	148,315	1,044,421	2,517,676
Event and Travel	83,188	1,874	1,716,854	1,801,916	9,343	-	47,741	57,084	1,859,000
Grant and Award	1,431,957	161,349	-	1,593,306	-	-	-	-	1,593,306
Depreciation and Amortization	156,486	95,081	52,785	304,352	95,043	85,598	24,523	205,164	509,516
Total Functional Expenses	\$ 9,469,397	\$ 4,619,496	\$ 3,734,250	\$ 17,823,143	\$ 3,765,698	\$ 2,248,013	\$ 1,182,733	\$ 7,196,444	\$ 25,019,587

2019	Program Services				Supporting Services			Total Supporting Services	Total Expenses 2019
	Member Services	Meetings	Education	Total Program Services	General and Administrative	Management Services	Governance		
Salaries and Benefits	\$ 3,808,774	\$ 1,011,530	\$ 218,611	\$ 5,038,915	\$ 1,582,517	\$ 1,472,834	\$ 733,559	\$ 3,788,910	\$ 8,827,825
Professional Fees	3,995,845	709,074	426,340	5,131,259	955,192	3,890	204,549	1,163,631	6,294,890
Event and Travel	488,689	5,264,882	18,318	5,771,889	47,684	-	354,231	401,915	6,173,804
Office Expense	1,239,155	645,084	62,674	1,946,913	432,591	379,562	195,527	1,007,680	2,954,593
Grant and Award	751,111	-	202,400	953,511	-	-	-	-	953,511
Depreciation and Amortization	105,845	28,110	6,075	140,030	43,978	40,930	20,385	105,293	245,323
Total Functional Expenses	\$ 10,389,419	\$ 7,658,680	\$ 934,418	\$ 18,982,517	\$ 3,061,962	\$ 1,897,216	\$ 1,508,251	\$ 6,467,429	\$ 25,449,946

See accompanying Notes to Consolidated Financial Statements.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 5,450,668	\$ 5,458,263
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	509,515	245,323
Net Gain on Investments	(5,057,409)	(4,740,924)
(Increase) Decrease in Assets:		
Accounts Receivable	(589,600)	66,160
Prepaid Expenses	(61,055)	(588,172)
Due from PIDS	(30,014)	83,552
Due from SHEA	(47,617)	162,023
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(302,394)	254,680
Due to SHEA	(133,761)	133,761
Deferred Revenue	4,595,645	(2,390,569)
Deferred Rent	1,287,565	945,100
Net Cash Provided (Used) by Operating Activities	5,621,543	(370,803)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	28,805,010	30,403,867
Purchases of Investments	(30,280,825)	(29,829,802)
Purchases of Property and Equipment	(1,342,539)	(1,083,369)
Net Cash Used by Investing Activities	(2,818,354)	(509,304)
 CHANGE IN CASH AND CASH EQUIVALENTS	2,803,189	(880,107)
Cash and Cash Equivalents - Beginning of Year	812,199	1,692,306
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,615,388	\$ 812,199
 SUPPLEMENTAL INFORMATION		
Noncash Investing Activities:		
Deposit for Furniture Transferred to Property and Equipment	\$ 236,116	\$ -

See accompanying Notes to Consolidated Financial Statements.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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 state 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 state 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 Section 501(c)(6) of the Internal Revenue Code (IRC). 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 that are not 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, 2020 AND 2019**

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 consists primarily of amounts owed for publication royalties and meeting activities. Accounts receivable are presented at the gross, or face, amount due to the Organization. Management periodically reviews the status of all accounts receivable balances for collectability. As a result of these reviews, balances deemed to be uncollectible are charged directly to bad debt expense. Management believes that the use of the direct write-off method approximates the results that would be presented if an allowance for bad debt had been recorded.

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.

Deferred Rent

IDSAs received certain incentives in connection with the leases, described in Note 9, and will be amortized over the lease term on a straight-line basis. The unamortized portions of these incentives are reported as deferred rent in the consolidated statements of financial position.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. 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. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the same reporting period.

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.

Revenue Recognition

Membership dues are recognized ratably over the period of membership, which 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. Sponsorships include free registration. All meetings revenue is recognized in the year of the related event.

INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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.

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

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.

Recently Adopted Accounting Standards

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than nonprofits to identify and account for contributions made. The ASU has different effective dates for resource recipients and resource providers. Where the Organization is a resource provider, the ASU is effective for the Organization's fiscal year beginning January 1, 2020. The resource provider provision of the ASU was adopted during the current year and did not have a material impact on the consolidated financial statements.

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in GAAP when it becomes effective and permits the use of either a full retrospective or modified retrospective transition method. In August 2015, FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2018, and in June 2020, FASB issued ASU 2020-05, which further deferred the effective date to annual reporting periods beginning after December 15, 2019, for nonprofit entities that have not yet issued financial statements. The Organization adopted the provisions of this ASU during the current year using the modified retrospective approach which did not have a material impact on opening net assets and changes in net assets.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Upcoming Accounting Pronouncements

In February 2016, FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The effective date of the new standard for the Institute has been extended for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the impact of the pending adoption of the new standard on the consolidated financial statements.

Measure of Operations

The Organization presents an intermediate measure from nonoperational activities on the consolidated statement of activities. Investment income is considered nonoperating.

Reclassification

Certain reclassifications have been made to the balances for the year ended December 31, 2019, with no effect on net assets or the change in net assets, to be consistent with the classification for the year ended December 31, 2020.

Subsequent Events

In preparing the consolidated financial statements, management has evaluated subsequent events through August 25, 2021, the date on which the consolidated financial statements were available to be issued.

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:

	2020	2019
Cash and Cash Equivalents	\$ 3,615,388	\$ 812,199
Investments	44,908,872	38,375,648
Accounts and Contract Receivable	3,032,357	2,442,757
Due from PIDS	33,702	3,688
Due from SHEA	47,617	-
Total	<u>51,637,936</u>	<u>41,634,292</u>
Less: Donor-Restricted Funds	<u>(420,468)</u>	<u>(168,256)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 51,217,468</u>	<u>\$ 41,466,036</u>

INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

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. 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.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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, 2020:

	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 936,535	\$ -	\$ -	\$ 936,535
Certificates of Deposit	-	726,436	-	726,436
Fixed Income Funds	18,681,646	-	-	18,681,646
Equity Funds	24,564,255	-	-	24,564,255
Total Investment Portfolio	44,182,436	726,436	-	44,908,872
Assets Held to Fund				
Deferred Compensation:				
Equity Funds	103,242	-	-	103,242
Total Assets at Fair Value	<u>\$ 44,285,678</u>	<u>\$ 726,436</u>	<u>\$ -</u>	<u>\$ 45,012,114</u>
Deferred Compensation Liability	<u>\$ -</u>	<u>\$ 103,242</u>	<u>\$ -</u>	<u>\$ 103,242</u>

Fair values of assets and liabilities measured on a recurring basis were as follows at December 31, 2019:

	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 3,074,795	\$ -	\$ -	\$ 3,074,795
Certificates of Deposit	-	1,888,702	-	1,888,702
Fixed Income Funds	12,148,865	-	-	12,148,865
Equity Funds	21,263,286	-	-	21,263,286
Total Investment Portfolio	36,486,946	1,888,702	-	38,375,648
Assets Held to Fund				
Deferred Compensation:				
Equity Funds	63,791	-	-	63,791
Total Assets at Fair Value	<u>\$ 36,550,737</u>	<u>\$ 1,888,702</u>	<u>\$ -</u>	<u>\$ 38,439,439</u>
Deferred Compensation Liability	<u>\$ -</u>	<u>\$ 63,791</u>	<u>\$ -</u>	<u>\$ 63,791</u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2020	2019
Furniture and Equipment	\$ 528,667	\$ 454,648
Software	1,465,323	1,375,758
Leasehold Improvements	2,029,321	28,330
Work in Progress	-	1,040,452
Total	4,023,311	2,899,188
Less: Accumulated Depreciation and Amortization	(994,785)	(939,802)
Property and Equipment, Net	<u>\$ 3,028,526</u>	<u>\$ 1,959,386</u>

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following:

	December 31, 2019	Contributions	Releases from Restriction	December 31, 2020
Watanakunakorn Clinician Awards	\$ 84,311	\$ -	\$ -	\$ 84,311
Korzenowski Overseas Mission	6,814	-	-	6,814
Moellering Trainee Travel Grants	47,601	-	-	47,601
Mentorship	-	300	(300)	-
Emerging Infections Sentinel Network (EIN)	-	1,334,809	(1,334,809)	-
Alzheimers Research	-	1,295,000	(1,295,000)	-
Protecting and Improving Health Globally	-	150,290	(150,290)	-
Grants for Emerging Researchers/ Clinicians Mentorship (GERM)	-	235,000	(201,514)	33,486
HIVMA Clinical Fellowship Program	29,530	335,000	(116,274)	248,256
Total	<u>\$ 168,256</u>	<u>\$ 3,350,399</u>	<u>\$ (3,098,187)</u>	<u>\$ 420,468</u>

	December 31, 2018	Contributions	Releases from Restriction	December 31, 2019
Watanakunakorn Clinician Awards	\$ 84,311	\$ -	\$ -	\$ 84,311
Korzenowski Overseas Mission	6,814	-	-	6,814
Moellering Trainee Travel Grants	3,601	97,601	(53,601)	47,601
HIVMA Clinical Fellowship Program	-	149,530	(120,000)	29,530
Alzheimers Research	-	583,255	(583,255)	-
Mentorship - ID Week Registration	-	13,275	(13,275)	-
Total	<u>\$ 94,726</u>	<u>\$ 843,661</u>	<u>\$ (770,131)</u>	<u>\$ 168,256</u>

NOTE 6 JOURNALS

The Organization entered into an agreement effective January 2011 for 10 years that expired in December 2020, with Oxford University Press to publish *The Journal of Infectious Diseases* and the journal entitled *Clinical Infectious Diseases*. 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, 2020 and 2019, revenues earned from Oxford University Press totaled \$8,389,806 and \$7,258,982, respectively.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 7 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 their agreement with SHEA through 2022. 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, 2020 and 2019 totaled \$1,248,485 and \$1,139,932, respectively. Due to operations and IDWeek royalties (see below), SHEA owed IDSA \$47,617, and IDSA owed SHEA \$133,761, as of December 31, 2020 and 2019, respectively.

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. Total revenue related to these services for the years ended December 31, 2020 and 2019, totaled \$356,826 and \$295,829, respectively. Due to operations and IDWeek royalties (see below), PIDS owed IDSA \$33,702 and \$3,688 as of December 31, 2020 and 2019, respectively.

IDWeek

SHEA and IDSA have an agreement to co-host the IDWeek annual meeting, with the agreement expiring in 2024. PIDS also signed an agreement to be a co-organizer of the event. Based on the agreements and net profits from the event, SHEA and PIDS royalties for the year ended December 31, 2020, totaled \$601,158 and \$160,894, respectively. For the year ended December 31, 2019, SHEA and PIDS royalties totaled \$781,126 and \$223,308, respectively.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 8 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, 2020 and 2019, 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 \$350,455 and \$311,136 for the years ended December 31, 2020 and 2019, 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 were \$19,500 and \$19,000 for the years ended December 31, 2020 and 2019, respectively. At December 31, 2020 and 2019, the investments totaled \$86,376 and \$57,711, respectively, and associated liability totaled \$86,376 and \$57,711, respectively.

457(f) Retirement Plan

During 2019, the Organization established under Section 457(f) of the IRC, a deferred compensation plan for the benefit of the Chief Executive Officer (the participant). 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 participant's salary excluding bonuses, less any Organization contributions to the 401(k) and the 457(b) plans. The plan shall provide for the participant 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, 2020 and 2019, the expense related to the 457(f) deferred compensation plan was \$8,406 and \$5,766, respectively. At December 31, 2020 and 2019, there was \$16,866 and \$6,080, respectively, accrued and included in the deferred compensation liabilities in the accompanying consolidated statements of financial position.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 9 COMMITMENTS AND CONTINGENCIES

Operating Leases

In March 2014, IDSA had an operating lease for office space in Arlington, Virginia, that terminated in May 2020. The lease provided for base rental payments which increased at 3% annually and additional rent for operating expenses.

In April 2019, IDSA signed an operating lease for new office space in Arlington, Virginia, which commenced in March 2020 and runs until April 2032. The lease provides for base rental payments which increase at 2.75% annually and additional rent for operating expenses. In addition, the Organization received a rental abatement until May 2021. Rent expense was recognized on a straight-line basis over the remaining term of the March 2014 lease and over the current portion of the 2019 lease and totaled \$698,601 and \$946,227 for the years ended December 31, 2020 and 2019, respectively. Future minimum lease payments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 647,070
2022	988,380
2023	1,015,631
2024	1,043,529
2025	1,072,192
Thereafter	<u>7,506,314</u>
Total	<u>\$ 12,273,116</u>

Future Meeting Sites

IDSA has contracts with various hotels for future meetings. In the event that IDSA cancels, it can be held liable for liquidated damages incurred by the burdened entity as calculated in accordance with the terms of the respective agreement, less any insurance proceeds.

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.

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 9 COMMITMENTS AND CONTINGENCES (CONTINUED)

Legal Matters

IDSA was named as one of several defendants in a lawsuit filed in November 2017 relating to certain IDSA treatment guidelines, which were issued more than ten years ago. IDSA has filed motions to dismiss all of the claims against it, and those motions remain pending with the Court. In July 2021, the Court entered an order staying all case deadlines.

NOTE 10 RISKS AND UNCERTAINTIES

A pandemic of the Coronavirus (COVID-19) was declared by the World Health Organization during the year ended December 31, 2020. Future events and conference revenues, membership dues levels, and expenses of the Organizations are uncertain due to the potential economic and business impact on the Organizations members.

INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019
(SEE INDEPENDENT AUDITORS' REPORT)

	2020				2019			
	IDSA	Foundation	Eliminations	Total	IDSA	Foundation	Eliminations	Total
ASSETS								
Cash and Cash Equivalents	\$ 2,911,199	\$ 704,189	\$ -	\$ 3,615,388	\$ 622,617	\$ 189,582	\$ -	\$ 812,199
Investments	44,908,872	-	-	44,908,872	37,553,925	821,723	-	38,375,648
Accounts Receivable	3,032,357	-	-	3,032,357	2,392,757	50,000	-	2,442,757
Due from Foundation	619,120	-	(619,120)	-	1,043,461	-	(1,043,461)	-
Due from PIDS	33,702	-	-	33,702	3,688	-	-	3,688
Due from SHEA	47,617	-	-	47,617	-	-	-	-
Prepaid Expenses and Other Assets	812,853	5,000	-	817,853	987,914	5,000	-	992,914
Deferred Compensation Plan Assets	103,242	-	-	103,242	63,791	-	-	63,791
Property and Equipment, Net	3,028,526	-	-	3,028,526	1,959,386	-	-	1,959,386
Total Assets	\$ 55,497,488	\$ 709,189	\$ (619,120)	\$ 55,587,557	\$ 44,627,539	\$ 1,066,305	\$ (1,043,461)	\$ 44,650,383
LIABILITIES AND NET ASSETS								
LIABILITIES								
Accounts Payable and Accrued Expenses	\$ 1,746,446	\$ 23,187	\$ -	\$ 1,769,633	\$ 1,496,235	\$ 575,792	\$ -	\$ 2,072,027
Due to IDSA	-	619,120	(619,120)	-	-	1,043,461	(1,043,461)	-
Due to SHEA	-	-	-	-	133,761	-	-	133,761
Deferred Compensation Liabilities	103,242	-	-	103,242	63,791	-	-	63,791
Deferred Revenue	6,965,110	-	-	6,965,110	2,369,465	-	-	2,369,465
Deferred Rent	2,360,128	-	-	2,360,128	1,072,563	-	-	1,072,563
Total Liabilities	11,174,926	642,307	(619,120)	11,198,113	5,135,815	1,619,253	(1,043,461)	5,711,607
NET ASSETS (DEFICIT)								
Without Donor Restrictions	44,322,562	(353,586)	-	43,968,976	39,491,724	(721,204)	-	38,770,520
With Donor Restrictions	-	420,468	-	420,468	-	168,256	-	168,256
Total Net Assets	44,322,562	66,882	-	44,389,444	39,491,724	(552,948)	-	38,938,776
Total Liabilities and Net Assets	\$ 55,497,488	\$ 709,189	\$ (619,120)	\$ 55,587,557	\$ 44,627,539	\$ 1,066,305	\$ (1,043,461)	\$ 44,650,383

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
CONSOLIDATING STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 AND 2019
(SEE INDEPENDENT AUDITORS' REPORT)**

	2020				2019			
	IDSA	Foundation	Eliminations	Total	IDSA	Foundation	Eliminations	Total
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS								
Journals	\$ 8,389,806	\$ -	\$ -	\$ 8,389,806	\$ 7,258,982	\$ -	\$ -	\$ 7,258,982
IDWeek Annual Meeting	6,462,688	-	-	6,462,688	10,748,779	-	-	10,748,779
Membership	3,026,453	-	-	3,026,453	3,343,785	-	-	3,343,785
Contributions	90,000	843,780	-	933,780	2,200	478,856	-	481,056
Awards and Fellowships	286,520	-	-	286,520	314,237	-	-	314,237
Management Services	1,605,311	-	-	1,605,311	1,435,761	-	-	1,435,761
Interest and Dividends	646,495	9,314	-	655,809	851,311	12,723	-	864,034
Education Programs	436,753	-	-	436,753	460,517	-	-	460,517
Other Income	244,885	-	-	244,885	277,010	-	-	277,010
Contributions from IDSA	-	552,948	(552,948)	-	-	370,613	(370,613)	-
Emerging Infections Network	-	-	-	-	265,524	-	-	265,524
HIVMA	-	-	-	-	12,500	-	-	12,500
Net Assets Released from Restrictions	1,485,099	1,613,088	-	3,098,187	-	770,131	-	770,131
Total Revenue and Support	<u>22,674,010</u>	<u>3,019,130</u>	<u>(552,948)</u>	<u>25,140,192</u>	<u>24,970,606</u>	<u>1,632,323</u>	<u>(370,613)</u>	<u>26,232,316</u>
EXPENSES								
Program Services:								
Member Services	8,249,826	1,772,519	(552,948)	9,469,397	9,364,417	1,395,615	(370,613)	10,389,419
Education	4,619,496	-	-	4,619,496	934,418	-	-	934,418
Meetings	3,734,250	-	-	3,734,250	7,658,680	-	-	7,658,680
Total Program Services	<u>16,603,572</u>	<u>1,772,519</u>	<u>(552,948)</u>	<u>17,823,143</u>	<u>17,957,515</u>	<u>1,395,615</u>	<u>(370,613)</u>	<u>18,982,517</u>
Supporting Services:								
General and Administrative	2,945,129	820,569	-	3,765,698	2,638,873	423,089	-	3,061,962
Management Services	2,248,013	-	-	2,248,013	1,897,216	-	-	1,897,216
Governance	1,124,309	58,424	-	1,182,733	1,438,767	69,484	-	1,508,251
Total Supporting Services	<u>6,317,451</u>	<u>878,993</u>	<u>-</u>	<u>7,196,444</u>	<u>5,974,856</u>	<u>492,573</u>	<u>-</u>	<u>6,467,429</u>
Total Expenses	<u>22,921,023</u>	<u>2,651,512</u>	<u>(552,948)</u>	<u>25,019,587</u>	<u>23,932,371</u>	<u>1,888,188</u>	<u>(370,613)</u>	<u>25,449,946</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE GAIN ON INVESTMENTS	(247,013)	367,618	-	120,605	1,038,235	(255,865)	-	782,370
Gain on Investments	<u>5,077,851</u>	<u>-</u>	<u>-</u>	<u>5,077,851</u>	<u>4,602,363</u>	<u>-</u>	<u>-</u>	<u>4,602,363</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>4,830,838</u>	<u>367,618</u>	<u>-</u>	<u>5,198,456</u>	<u>5,640,598</u>	<u>(255,865)</u>	<u>-</u>	<u>5,384,733</u>

**INFECTIOUS DISEASES SOCIETY OF AMERICA AND AFFILIATE
CONSOLIDATING STATEMENTS OF ACTIVITIES (CONTINUED)
YEARS ENDED DECEMBER 31, 2020 AND 2019
(SEE INDEPENDENT AUDITORS' REPORT)**

	2020				2019			
	IDSA	Foundation	Eliminations	Total	IDSA	Foundation	Eliminations	Total
REVENUE AND SUPPORT WITH DONOR RESTRICTIONS								
Contributions	\$ -	\$ 1,865,300	\$ -	\$ 1,865,300	\$ -	\$ 843,661	\$ -	\$ 843,661
Awards and Fellowships	1,485,099	-	-	1,485,099	-	-	-	-
Net Assets Released from Restrictions	(1,485,099)	(1,613,088)	-	(3,098,187)	-	(770,131)	-	(770,131)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>-</u>	<u>252,212</u>	<u>-</u>	<u>252,212</u>	<u>-</u>	<u>73,530</u>	<u>-</u>	<u>73,530</u>
CHANGE IN NET ASSETS	4,830,838	619,830	-	5,450,668	5,640,598	(182,335)	-	5,458,263
Net Assets - Beginning of Year	39,491,724	(552,948)	-	38,938,776	33,851,126	(370,613)	-	33,480,513
NET ASSETS - END OF YEAR	<u>\$ 44,322,562</u>	<u>\$ 66,882</u>	<u>\$ -</u>	<u>\$ 44,389,444</u>	<u>\$ 39,491,724</u>	<u>\$ (552,948)</u>	<u>\$ -</u>	<u>\$ 38,938,776</u>