

2023 ISACA® ANNUAL REPORT

Fueling the Future



2023 ANNUAL REPORT

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“It is no exaggeration to say that the world is relying on ISACA professionals to be at their best so that technological innovations lead to progress rather than mayhem.”

JOHN DE SANTIS, ISACA BOARD CHAIR



About ISACA

For more than 50 years, ISACA (www.isaca.org) has equipped individuals and enterprises with the knowledge, credentials, education, training and community to progress their careers, transform their organizations, and build a more trusted and ethical digital world.

ISACA is a global professional association and learning organization with more than 180,000 members who work in digital trust fields such as information security, governance, assurance, risk, privacy and quality. With a presence in 188 countries and with 225 chapters worldwide, ISACA is recognized around the world as a thought leader, education provider and lifelong career partner. To serve its professional community across the globe, ISACA has established three offices based in North America, Europe and China.

Through its ISACA Foundation, ISACA supports IT education and career pathways for underresourced and underrepresented populations.

180,000⁺

ISACA MEMBERS AT END OF 2023

225

GLOBAL ISACA CHAPTERS

350,000⁺

ISACA CERTIFICATIONS
ISSUED TO DATE

X

x.com/ISACANews

LINKEDIN

linkedin.com/company/isaca

FACEBOOK

facebook.com/ISACAGlobal

INSTAGRAM

instagram.com/isacanews/



Cultivating Learners Eager to Inherit the Future



Erik Prusch
ISACA CEO



John De Santis
ISACA BOARD CHAIR

The philosopher Eric Hoffer once wrote: “In times of change learners inherit the earth, and the learned find themselves beautifully equipped to deal with a world that no longer exists.”

This quote is especially fitting these days. The dynamic technology landscape, with artificial intelligence front and center, can make all of us feel like we’re inhabiting a new world as each year passes. The technological sea change is affecting our entire community from the most junior auditor to the most seasoned CISO, and is rewriting job descriptions across all geographies, industry sectors and digital trust disciplines.

The theme of ISACA’s 2023 Annual Report, “Fueling the Future,” is in recognition of this momentous opportunity committed learners have to “inherit the earth.” As much as preparing for the future can seem like a moving target, it is a target that ISACA is determined to hit – and keep hitting. We are focused on providing the guidance, knowledge resources, credentialing and community that fuel the continuous learning our members and their enterprises need to build trust in a tumultuous digital ecosystem.

That is what we did in 2023. Reflecting on the year, it was full of new beginnings: in our domain, in our

professions and at ISACA. The year’s many highlights included:

- Our flagship certification, Certified Information Systems Auditor® (CISA®), surpassed the 200,000 milestone of CISAs issued since inception.
- We continued to establish ourselves as the leader in driving digital trust, sharing extensive thought leadership in this area while carrying out thorough due diligence on the Digital Trust Ecosystem Framework (DTEF), which was published in March 2024.
- The ISACA Mentorship Program, in its first full year as a professional development resource for our members, attracted 2,300 participants, representing nearly 120 countries.
- A major update to ISACA’s Capability Maturity Model Integration (CMMI®) added new model domains for data management, people management and virtual work, allowing enterprises more ability to customize CMMI to their specific needs.

“2023 marked my first year as ISACA CEO, and I came away so impressed with the passion, curiosity and capabilities of our professional community. I did a lot of listening and learning throughout my first months on the job, and those insights are reflected in the critical priorities we will focus heavily on for our members as we move into 2024 and beyond.”

ERIK PRUSCH, ISACA CEO

- The United States Food and Drug Administration (FDA) announced its formal support of the Voluntary Improvement Program (VIP). VIP leverages ISACA's Medical Device Discovery Appraisal Program (MDDAP), a tailored version of the CMMI framework and appraisal methodology, to help medical device manufacturers measure and improve their capabilities to deliver high-quality products.
- ISACA's commitment to welcome the next generation to digital trust professions included extending more than 700 free memberships to students in Europe and a new collaboration in Brazil in which high school students gain career-advancing skills through ISACA's Certified in Emerging Technology™ (CET) courses, in partnership with the Caterpillar Foundation.
- Our annual CommuniTy Day of global volunteering resulted in more than 2,200 volunteer activities and more than 7,000 hours spent improving our local communities.

As much as ISACA accomplished in 2023, it was not an easy one for the association. We identified a need for greater financial flexibility to give us the necessary agility to be at our best for our members and customers, and we had to make difficult business decisions to bring our expenses in order, including a reduction in our staff size. As painful as that was, ISACA is now in position to make the investments that will best serve our members and our professional community. We encourage you to view the detailed financials included in this year's report to find out more about our financial performance.

Focused on the future

Our achievements from 2023 – those mentioned above and many more highlighted in this annual report – build on ISACA's proud tradition of 50-plus years as a valued partner to our professional community. During that time, we have advanced hundreds of thousands of professionals' careers, become a leader in IT certifications with globally esteemed credentials such as CISA and CISM®, and advanced

information and technology governance with our COBIT® framework. Yet, as "learned" as we are, in this era of massive change, this is not time to rest on our laurels. We, like our members, are committed to continuously learning and adapting.

The information technology domain is undergoing a great transformation as emerging technologies such as AI, cloud platforms and digital distributed ledgers are leveraged for new applications, and as cyberthreats continue to become more sophisticated. We must look forward, even perhaps over the horizon, to better understand and anticipate the governance, risk, compliance, audit, privacy and security skills and knowledge required by enterprises as they adopt these new tools and technologies.

This holds especially true in the case of AI – a growing force that our global community will need to more fully incorporate into their roles in the months and years ahead. In 2023, ISACA conducted a global survey on the impacts of generative AI that attracted wide-ranging press coverage. As we look toward the future, providing world-class thought leadership and practical learning around AI – and how it connects to our fields of interest – is among our leading priorities.

Poised to grow our community

As much pride as we take in providing the right credentials, frameworks, training and thought leadership for our members, certification-holders and enterprise partners, there is something equally important that we will not lose sight of – nurturing our community. The ability for our 180,000+ members around the world to connect with

"ISACA is well positioned to take the premier leadership role across the IT domains, offering the most relevant education and certifications for exciting new career journeys, and advocating for broader, better and more comprehensive skills development. Like committed learners at the beginning of a new school year, we are brimming with curiosity and looking forward to an exciting journey together."

JOHN DE SANTIS, ISACA BOARD CHAIR

one another and share expertise while building their networks is an unmatched opportunity that we will continue to enhance.

Our 225 chapters worldwide provide the ideal infrastructure for our members to grow their networks. We are assessing what new resources we can offer our chapters to make ISACA even more accessible and relevant at the local level so that our chapters can continue to grow their impact.

In 2023, we expanded the ISACA Mentorship Program worldwide, and this opportunity for ISACA members to support and be supported by professionals in their fields of interest is gaining momentum. Given that nine in 10 mentees indicate they are satisfied or very satisfied with the program, we expect this program to continue to gain traction.

Our foundation is another important element that makes the ISACA community exceptional. ISACA's foundation allows our community to provide opportunities for those who are underrepresented in the tech workforce, including a growing scholarship program. We took steps in 2023 to sharpen the foundation's focus and better utilize our member and chapter experience teams to integrate foundation programming, such as the SheLeadsTech program, into ISACA.

Ultimately, it is the vitality of the ISACA community – and the spirit of volunteerism that has long been embedded in ISACA's DNA – that makes our future so promising. ISACA volunteers are the lifeblood of our community – helping us to strengthen our certifications' bodies of knowledge, elevate attendees' experiences at ISACA

conferences, translate learning materials into various languages, participate in advocacy initiatives, bring to life our annual CommuniTy Day of global volunteering, and so much more.

ISACA: at the epicenter of the future

This is a pivotal time to be part of ISACA. Our community is at the epicenter of many of the world's most significant challenges: putting safeguards around emerging technology, countering cyberthreats and strengthening trust in our digital ecosystem.

It is no exaggeration to say that the world is relying on ISACA professionals to be at their best so that technological innovations lead to progress rather than mayhem. We will equip our professional community with the right resources to meet this moment.

Eric Hoffer's quote elegantly lays out the opportunity in front of us: it is the learners who will inherit, and thrive in, this technology-powered world. ISACA will be their trusted partner as, collectively, we fuel the future.



MEET THE Board of Directors

ISACA BOARD OF DIRECTORS: A DIVERSE AND EXPERIENCED GOVERNANCE BODY

Board directors with
C-suite experience:

11

Enterprise leadership experience with:



Fields of professional expertise:

- Enterprise risk
- Governance
- Cybersecurity
- Data privacy
- Education
- Law
- Technology
- Finance
- Government
- and more

Number of countries/regions represented: **6**



Find out more about the ISACA Board and its
areas of responsibility at www.isaca.org/board.



John De Santis
CHAIR

John De Santis is a former company builder, chairman and CEO of multiple enterprises with experience in the software, networking

and information security domains. He has more than 40 years of international and US-based experience at venture-backed technology start-ups and large global public companies in the telecom and IT fields. He currently serves on the boards of directors in a fiduciary capacity for organizations active in cybersecurity and artificial intelligence spaces, including Paladin Cloud, Cequence Security and ValiMail, leading innovators in cybersecurity, and NoHold and Tweelin, early-stage innovators in the application of artificial intelligence.



Brennan P. Baybeck
CISA, CISM, CRISC, CISSP, VICE CHAIR

Brennan P. Baybeck is SVP & CISO for Customer Success Services at Oracle Corporation. In his role, Baybeck leads a global team that addresses cyber security risk management for one of the largest

lines of business at Oracle. He is responsible for leading security, privacy and resiliency for customer facing services, including Oracle's Security Services. He has more than 30 years of experience in IT security, governance, risk, audit and consulting, and has worked in various industries designing, implementing and operating enterprise-wide programs to address global security risks. He has held other leadership positions at Sun Microsystems, StorageTek and Qwest Communications, and he served as a security risk consulting director at a global consulting company for several years. Baybeck also has been actively involved with ISACA for more than 30 years, as ISACA's International Board Chair and a board Director for several years, and served many years as a chapter board leader.

**Tracey Dedrick****DIRECTOR AND 2020-2021 ISACA BOARD CHAIR**

Tracey Dedrick serves on the board of First Bancorp Puerto Rico and is Lead Director of Sterling Bancorp. Dedrick was EVP and Head of ERM for Santander Holdings US, where she was responsible for enterprise risk, operational risk and market risk for the Americas. Prior to this role, she was EVP, Chief Risk Officer and a member of the executive team for Hudson City Bancorp, where she built regulatory compliant risk, compliance and information security functions. Prior to that, Dedrick spent nine years at MetLife, where she successively built the capital markets function for the newly demutualized company as assistant treasurer. Dedrick recently served as ISACA's interim CEO.

**Gabriela Hernández-Cardoso****NACD.DC, DIRECTOR**

Gabriela Hernández-Cardoso, NACD Certified Director, has spent her career in both public and private sectors. In 2010, she was appointed President and CEO of GE Mexico, and in 2013, she was named Latin America General Counsel for GE. Prior to joining GE, Hernández-Cardoso worked in the Mexican government, holding positions in the NAFTA negotiation team, Under-Attorney for Consumer Protection and in the Ministry of Communications and Transportation, first as General Director for Telecommunications and then as Undersecretary for Communications, a presidential appointment. In the private sector, she has had experience in corporate law and international trade, working in companies such as Motorola and Tellabs. Hernández-Cardoso earned her law degree with honors from Escuela Libre de Derecho, completing post-graduate studies. She is a Yale World Fellow (2016).

**Niel Harper****CISA, CRISC, CDPSE, CISSP, NACD.DC, DIRECTOR**

Niel Harper is a technology and cybersecurity executive and the former Chief Information Security Officer and Data Privacy Officer at the United Nations Office for Project Services (UNOPS). He has had senior leadership and advisory experience with AT&T, Bemol, Canonical, CIBC, Deloitte Consulting, European Commission, and the Internet Society, among others. Harper has more than 20 years of deep interdisciplinary knowledge across the domains of IT risk management, cybersecurity, privacy, ICTs for development (ICT4D), and technology law and policy. He is the recipient of the 2021 ISACA Technology for Humanity Award and the 2021 IFSEC Caribbean Security & Resilience Award. Harper has also been recognized by the World Economic Forum as a Young Global Leader and a Global Shaper.

**Stephen Gilfus****DIRECTOR**

Stephen Gilfus is Chairman of the Gilfus Education Group, a Washington DC-based education and training industry think tank, and General Partner at Oversight Ventures, an education/workforce firm focused on cybersecurity, AI, safety, governance and risk. He began his career as a founder, business and product architect of Blackboard Inc., a global eLearning enterprise technology infrastructure company. In this capacity, he deployed business and technical strategies that helped thousands of education and training organizations dramatically impact the lives of tens of millions of individuals. He is a serial entrepreneur and seasoned board member and operator, with over 27 years of experience guiding and supporting mission-based private and public sector, for-profit (start-ups to Global Fortune 500) and not-for-profit member organizations. A prolific lifelong learner, in 2023, he completed Harvard's "Governing for Non-Profit Excellence" and, in 2024, will earn the NACD.DC Corporate Director designation, and begin the Harvard "Corporate Director Certificate" program. He is an Advisor to the California Governor's Office Cybersecurity Task Force and a member of ISACA.

**Jason Lau**

CISA, CISM, CGEIT, CRISC, CDPSE, CISSP, CIPP/E, CIPM, CIPT, CEH, HCISPP, FIP, DIRECTOR

Jason Lau is a seasoned professional with more than 24 years of experience working with global *Fortune* 500 companies, and demonstrated

expertise in cybersecurity, privacy, corporate governance, risk management. Lau is currently Chief Information Security Officer (CISO) at Crypto.com, overseeing a platform that reaches close to 100 million users globally and previously a cybersecurity advisor at Microsoft. In addition, Lau serves as an adjunct professor for cybersecurity and privacy at the HKBU School of Business and is an elected official member of the Standing Committee on Technological Developments for the Privacy Commissioner for Personal Data (PCPD), contributing to AI Ethics and Governance Frameworks, and previous IAPP Co-Chair and Advisory Board for the International Association of Privacy Professionals (IAPP). Lau is also a distinguished Senior Accredited Board Director of the Singapore Institute of Directors, and Fellow of the HK Institute of Directors, and honored as an IAPP Westin Emeritus Fellow and multiple *CSO30* award winner.

**Pamela (Pam) Nigro**

CISA, CGEIT, CRISC, CDPSE, CRMA, DIRECTOR AND 2022-2023 BOARD CHAIR

Pam Nigro is Vice President of Security and Security Officer at Medecision, where she is responsible for all cybersecurity efforts that secure

and protect information important to Medecision and its customers, while ensuring the overall cyber resiliency of the company. Previously, she was Vice President of Information Technology and Security Officer at Home Access Health Corporation. She is a recognized subject matter expert in HIPAA, HITRUST, SOC 1, SOC 2, Sarbanes-Oxley (NAIC-MAR), and IT/cybersecurity controls and risk assessments. Nigro is also an adjunct professor at Lewis University in Illinois, USA, where she teaches graduate-level courses on healthcare data security, privacy, ethics, risk, IT governance and compliance, and management of information systems in the MSIS and MBA programs. She has more than 25 years of experience in the information technology industry and holds numerous IT certifications.

**Massimo Migliuolo**
DIRECTOR

Massimo Migliuolo is an experienced CEO from the technology sector, currently serving as executive chairman at Intuin and founder and

director of Cedro and Kibe, three companies created with his sons, where he is engaged in developing value chain optimization in the sustainability, retail and construction verticals. Previously, Migliuolo was the Chief Executive Officer of Vads and Vads Lyfe, both owned by government-controlled Telekom Malaysia. While at Telekom Malaysia, Migliuolo also served as Chief Executive Officer of Intelsec, where he executed on customer partnerships and joint ventures. Before that, Migliuolo served as a senior executive at Cisco for twelve years, including as vice president of emerging markets and vice president of mobile operations worldwide, as well as in various roles with AT&T Network Systems and Lucent Technologies. He splits his time between Malaysia and Switzerland.

“With both our work and personal lives being conducted in an ever-increasing cyber and digital world, ISACA’s work in digital trust is leading the way, putting the focus on creating a trustworthy and transparent digital footprint, prioritizing honesty, ethics and security. There has never been a better time to be an ISACA member to help grow and develop your career.”

MIKE HUGHES, 2023 ISACA HALL OF FAME INDUCTEE



Maureen O'Connell
NACD.DC, DIRECTOR

Maureen O'Connell has executive experience in both finance and education. Most recently, she was executive vice

president and CFO of Scholastic Corp., where she was responsible for finance, operations, supply chain, technology, HR and legal. O'Connell has also served as president at Gartner and CFO of Barnes & Noble. She has more than 30 years of progressive experience in finance and operations management and has been named "Financial Executive Who Will Make a Difference in the Next Decade" by *CFO* magazine. She also received the CFO World-Class Award from CFO Studio and was named one of the 30 Outstanding Women in Business by *Treasury & Risk* magazine.



Asaf Weisberg
CISA, CISM, CGEIT, CRISC, CDPSE, CSX-P, DIRECTOR

Asaf Weisberg is a highly experienced IT and cyber security executive with strong

strategic skills, and the founder and CEO of introSight Ltd. Over the years at introSight, he developed a unique quantitative risk management methodology, led development efforts of cyber risk management best practices and IT related regulation for governmental agencies, and directed countless business-centric projects in various areas of IT governance, risk and compliance. He has more than 25 years of hands-on, managerial, and mentoring experience in cybersecurity and various other IT disciplines. Weisberg has been a member of ISACA and a chapter leader for nearly 20 years and served as the president of the ISACA Israel Chapter.



Gregory J. Touhill
CISM, CISSP, NACD.DC, BRIGADIER GENERAL (RET), DIRECTOR AND 2021-2022 BOARD CHAIR

Gregory J. Touhill is director of the world-renowned CERT Division of Carnegie Mellon University's Software Engineering Institute, a federally funded

research and development center. Prior to this appointment, he was president of Appgate Federal, a cybersecurity and advanced technology company. Also a professor of Cybersecurity at Carnegie Mellon University's Heinz College, he has extensive experience as the director of profit and loss corporations and non-profit organizations, including serving on the Splunk, Intel and Symantec Federal Advisory Boards. Prior to entering the private sector, General Touhill concluded a distinguished career of public service culminating in his selection by the President of the United States as the US government's first Chief Information Security Officer. His other civilian government service includes duties as the Deputy Assistant Secretary, Cybersecurity and Communications at the United States Department of Homeland Security; and as Director of the National Cybersecurity and Communications Integration Center, where he led national programs to protect the United States and its critical infrastructure. He is a retired US Air Force general officer.



Erik Prusch
DIRECTOR

Erik Prusch is Chief Executive Officer for ISACA. Prior to joining ISACA, he most recently was chief executive officer at Harland Clarke Holdings

Corp., a provider of integrated payment solutions and integrated marketing services. He has also served as CEO for Outerwall, Lumension, NetMotion Wireless, Clearwire and Borland Software Corporation. Additionally, he has been a board member for RealNetworks, WASH, Calero Software and Keynote Systems. Previously in his career, Prusch served as chief financial officer for a number of public companies, such as Identix and Borland, and for divisions of public companies, such as Gateway Computers and PepsiCo. He began his career at Deloitte & Touche (then Touche Ross). Prusch holds a bachelor's degree from Yale University and an MBA from NYU's Stern School of Business.

MEET THE

Executive Leadership Team



Erik Prusch
CHIEF EXECUTIVE OFFICER



Julia Kanouse
CHIEF MEMBERSHIP OFFICER



Ajay Barot
CHIEF OF STAFF



Thomas Kyei-Boateng
CHIEF FINANCIAL OFFICER



Chris Dimitriadis
CHIEF GLOBAL STRATEGY OFFICER



Simona Rollinson
CHIEF OPERATING OFFICER



Shannon Donahue
CHIEF CONTENT & PUBLISHING OFFICER



Meeghan Ward Creeden
CHIEF PEOPLE OFFICER, ISACA, AND
EXECUTIVE DIRECTOR, ISACA FOUNDATION

ISACA Welcomes Erik Prusch as Chief Executive Officer

CEO Erik Prusch joined ISACA in June 2023, bringing extensive expertise in tech leadership. His previous experience as CEO, chief financial officer and board member for several globally renowned companies further strengthened ISACA's position as an innovative leader for its members and enterprises worldwide.

Prior to joining ISACA, Prusch served as CEO of Outerwall, Lumension, NetMotion Wireless, Clearwire and Borland Software Corporation. He has been a board member for RealNetworks, WASH, Calero Software and Keynote Systems. Previously in his career, Prusch served as chief financial officer for a number of public companies, such as Identix and Borland, and for divisions of public companies such as Gateway Computers and PepsiCo.

Prusch arrived at a pivotal time for ISACA as it continues to look to the future and develop new tools and resources that

enable digital trust professionals and their organizations to succeed in a rapidly changing technology landscape.

"The pace of change in technology is escalating at an unprecedented rate, and it is a uniquely challenging and interesting time for digital trust professionals and their organizations," said Prusch. "Throughout my career, I've guided organizations through transformation, so it's exciting to join ISACA at this pivotal moment. Now more than ever, it's critical that we equip our members and customers with the forward-looking resources they need to thrive in their careers and enterprises."

Prusch holds a bachelor's degree from Yale University and an MBA from New York University's Stern School of Business.



2023 HIGHLIGHTS

Focused on the Future

In 2023, ISACA continued to drive results to serve our members, advance our professional community and build future-minded resources to fuel career advancement and the next-generation IS/IT workforce.

2023 was a landmark year for growth as ISACA's impact became stronger in supporting its members and certification-holders as well as governments and enterprises around the world, through upskilling and reskilling professionals, and by offering the research, frameworks and models to strengthen trust in the digital world of today and tomorrow.

Serving a Growing Community

Global membership **180,000+**

+7% in global membership

+14% in new members

350,000+ ISACA certifications issued to date

A presence in **188** countries

225 chapters in **98** countries

2,500+ volunteer roles filled

ISACA Members by Region

REGION	2023 MEMBERS
Africa	10,550
Asia	36,803
Europe	36,125
Latin America	5,819
No Region	14
North America	86,233
Oceania	6,255
TOTAL	181,799

“The future is before us with myriad opportunities for AI and other emerging technology to advance our digital trust fields. As we embark on this path, ISACA can ensure the tech workforce is up to the challenge by working to attract more women and other underrepresented groups to our professions and addressing bias in algorithms and hiring practices to build the trustworthy and equitable future we deserve.”

JO STEWART-RATTRAY, 2023 ISACA HALL OF FAME INDUCTEE

Delivering a Superior Member Experience

ISACA continued to deliver new initiatives and enhancements to further enhance member experiences. Initiatives focused on helping ensure members, customers and their organizations were equipped to lead others and achieve value from the exciting changes ahead.

Growth in the desire to volunteer is a strong barometer of the value professionals around the world gain from ISACA. Global volunteers were empowered with opportunities to network and meet colleagues from around the world as they contributed their time to ISACA's community. For the second year in a row, there were more than 2,500 volunteer roles filled, a significant increase over previous years and a clear indication of their positive experiences and outlook.

To show appreciation for the time and knowledge shared by so many, ISACA held a Volunteer Appreciation Week event, including an exclusive Ask Me Anything session with ISACA's 2023 Hall of Fame inductees. ISACA's End of Year Volunteer Appreciation event featured former Olympian, executive coach and motivational speaker Adam Kreek.

With 225 chapters in 98 countries, ISACA strengthened its focus on the future by providing exceptional service

to chapters and their leaders. The 2023 Global Leadership Summit was a three-day virtual event packed with valuable tips and guidance for the 640 registered leaders from 218 chapters. Several chapters were also recognized for their outstanding contributions to addressing the needs of the professional community.

Recognizing the importance of mentorship, ISACA made significant progress with the ISACA Mentorship Program that was launched in late 2022 to build knowledge and skills in the workforce of the future. Nearly 2,300 mentors and mentees participated in the program, representing nearly 120 countries. The program was featured

Chapters that earned the ISACA Outstanding Chapter Achievement Award were recognized for exemplary service and support for their local members.



Melbourne Chapter



Bangalore Chapter



Greater Washington, D.C. Chapter



Amman Chapter

1/ Sixty-one volunteers supported ISACA's Digital Trust World events in Boston and Dublin. 2/ 2023 Chapter Awards Recipients



1

13



2



in *Australian Women in Security* magazine, which noted “This program does much of the hard work by recommending pairings between participants who have complementary qualities and enabling mentees to filter potential mentors according to the criteria most meaningful to them.”

The first Virtual Career Fair since 2019 was offered in a 12-hour event format to accommodate all time zones. In addition to attracting 1,761 registrants and eight recruiters, 59 mentors completed 363 one-on-one conversations.

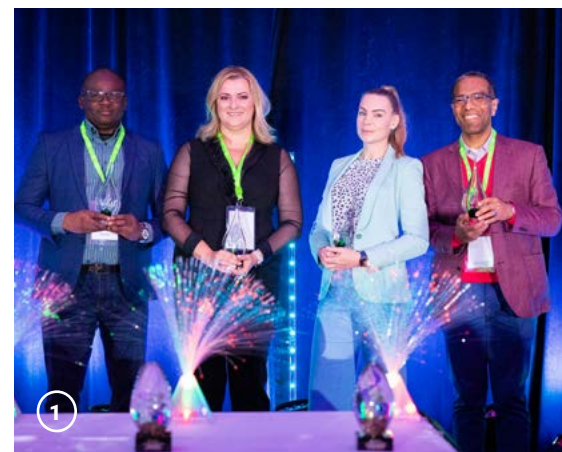
ISACA's Member-Exclusive Speaker Series webinars featured business leaders sharing their expertise, and 95 percent of attendees said that the webinars add value to their membership.

Recognizing inspirational members

ISACA awards recognize outstanding contributions by individuals who advance the professional community, exemplify purpose and leadership, and inspire future generations of business and technology professionals.

“This program does much of the hard work by recommending pairings between participants who have complementary qualities and enabling mentees to filter potential mentors according to the criteria most meaningful to them.”

AUSTRALIAN WOMEN IN SECURITY MAGAZINE



1/ 2023 ISACA Global Achievement Award winners

2/ 2023 ISACA Hall of Fame inductees (L-R) Jo Stewart-Rattray, CISA, CISM, CGEIT, CRISC (Australia), Mike Hughes, CISA, CISM, CGEIT, CRISC, CDPSE (UK), Lily M. Shue, CISA, CISM, CGEIT, CRISC (USA), Robert Parker, CISA, CRISC (Canada), Allan Boardman, CISA, CISM, CGEIT, CRISC, CDPSE (UK)

3/ Jo Stewart-Rattray was honored with the prestigious Eugene Frank Founders Award, named for Eugene M. Frank, a founding member of ISACA (then EDPA), and the highest recognition bestowed upon an ISACA member.

Longtime ISACA volunteer and past ISACA board director Jo Stewart-Rattray was honored with the ISACA Eugene Frank Founders Award. She was one of five Hall of Fame inductees in 2023 and was selected for this prestigious honor by her peers.

CommuniTy Day

Each year in October, ISACA members participate in a CommuniTy Day of global volunteering to give recognition and support to their communities—and in 2023 they gave back in a big way.

- 101 teams including members and staff from 50 countries completed more than 2,200 volunteer activities and spent more than 7,000 hours making the world a better place.

“As a longstanding ISACA member, I can attest to the immense value that ISACA membership, credentials, and resources have brought to my professional journey. Being a member has provided me with unparalleled networking opportunities, access to cutting-edge resources and continuous learning experiences, as well as opened doors to new career opportunities. It is imperative for the next generation to be involved in ISACA to harness these benefits, gain mentorship from seasoned professionals, and contribute to shaping the future of the industry.”

ALLAN BOARDMAN, 2023 ISACA HALL OF FAME INDUCTEE

1/ Tokyo Chapter 2/ Gaborone Chapter 3/ Lusaka Chapter 4/ New Jersey Chapter 5/ Birmingham Chapter 6/ Astana Chapter



Developing a Strong Future Workforce

Preparing for change and continually pursuing knowledge is critical for all enterprises and their workforces. According to the World Economic Forum's [Future of Jobs Report 2023](#), "23 percent of jobs are expected to change in the next five years, driven by industry transformation caused by increased adoption of technology, the green transition and macro-economic conditions."

Attaining one of ISACA's globally recognized certifications helps professionals lead these changes. Earning a certification demonstrates an individual's commitment to staying ahead of emerging technologies and best practices in their field. In addition to helping future-proof their career, ISACA certifications validate that the holder has the knowledge and skill to perform their work and advance digital trust. In addition to implementing a new online certification application tool to further enhance the experience for certification applicants, ISACA's achievements regarding its globally recognized certifications include:

- 350,000+ ISACA certifications issued to date
- 186 countries with certification-holders
- 93 percent of certification-holders renewed



Certified Information Systems Auditor® (CISA®): One of the 15 most valuable certifications for 2024, *CIO* magazine



Certified Information Security Manager® (CISM®): One of the 15 most valuable certifications for 2024, *CIO* magazine



Certified in Risk and Information Systems Control® (CRISC®): Ranked #1 in the 2023 Highest-Paying IT Certifications Survey from CertMag.com.



Certified Data Privacy Solutions Engineer™ (CDPSE®): Highly Commended as Best Professional Training or Certification Programme, SC Awards Europe



Certified in the Governance of Enterprise IT® (CGEIT®): One of the 10 IT certifications paying the highest premiums, *CIO* magazine

Enterprise Direct trainings grew by 17 percent, helping organizations keep their teams attuned to the evolving business landscape and prepared for what is yet to come. Thirty-six new Accredited Training Organizations (ATOs) came aboard, increasing global coverage of exam preparation training and credentialing and helping ISACA

NEW MILESTONE ACHIEVED:

200,000⁺

CISAS ISSUED SINCE INCEPTION

learners become more confident in their ability to pass certification exams.

A new program in 2023 involved high school students at the Centro Educacional Assistencial Profissionalizante (CEAP) in Brazil, which expanded their tech education and career-advancing skills through ISACA's [Certified in Emerging Technology](#) (CET) certification courses in partnership with the Caterpillar Foundation.

- **PROGRAM SIZE:** 150
- **STUDENTS TESTED:** 126
- **CERTIFICATES EARNED:** 112

"In this moment, the most important move we can make is to train workers in valuable skills. Only through workforce development can the global economy meet both the needs of the present and the change that's coming."

NELA RICHARDSON, PH.D., chief economist and head of ADP Research Institute, Automatic Data Processing (ADP), in [World Economic Forum's](#), 12 experts explain why good job creation is needed and what leaders can do about it

Driving Toward a Secure Digital World

Significant strides were made in the development of ISACA's forward-looking Digital Trust Ecosystem Framework (2024 release), along with the related *Implementation Guide* and *Digital Trust Board Briefing*. Planning began for a Digital Trust Ecosystem Framework Interactive Guide, adding an interactive dimension to ISACA's suite of resources for the first time. Engaging sessions and panel discussions focused on the vital potential of digital trust were delivered at ISACA's North America and Europe conferences.

ISACA continued to work with its Strategic Advisory Councils, engaging with chapter leaders in each region to identify priorities for addressing current and future needs toward ensuring relevance with regional digital trends and priorities. This work was supported by volunteer ambassadors and local resources to provide a platform for leaders from all countries, align the chapters under common strategic goals and position them for the everchanging times ahead.

ISACA intensified its advocacy efforts for the professions it serves. Initiatives included participating in government consultations, contributing to mapping ISACA credentials to governmental skills frameworks and working with governmental agencies to address the skills gap. All these activities helped to further ISACA's commitment to a secure digital future on an international scale.

Strengthening relationships with US governmental entities also helped ISACA advocate for its members and support two-way communication and collaboration. Highlights of these efforts included ISACA sponsoring

the International Cybersecurity Challenge, which attracted teams of highly skilled experts from around the world. As a transformative authority in the cybersecurity skills arena, ISACA further built support, including:

- ISACA was cited in congressional hearings by US Cyber Subcommittee Chairman Rep. Andrew Garbarino and Ranking Member Rep. Eric Swalwell.
- ISACA was also invited by Rep. Eric Swalwell to his inaugural cyber summit to help small businesses. ISACA participated in the event, which explored public and private responses to cyberattacks with experts from around the country.
- ISACA issued letters of support for key pieces of legislation including the Modernizing the Acquisition of Cybersecurity Experts Act and the IT Service Corps Act. ISACA also kept in contact with numerous policymakers on Capitol Hill and communicated its support for Congressional work on the Federal Information Security Modernization Act (FISMA), which will require continuous maturity modeling for federal IT systems, and its work to raise awareness about the cybersecurity workforce deficit.
- Seven US chapters sent representatives to Washington DC for a day of member advocacy. This Hill Day was a great opportunity for chapters to work together and meet with lawmakers.

- ISACA participated in the Future of Work Caucus Briefing on Capitol Hill to discuss the cybersecurity workforce shortage and threat landscape. Members of US Congress heard that ISACA is looking to the future and developing a pipeline of entry-level cybersecurity professionals but more needs to be done.

Advocacy in Europe included:

- Submitted a pledge to the European Commission to offer knowledge, free membership and resources to 20,000 European students; create partnerships with training organizations and academic institutions; and organize events and awareness-raising initiatives to individuals across the European Union.

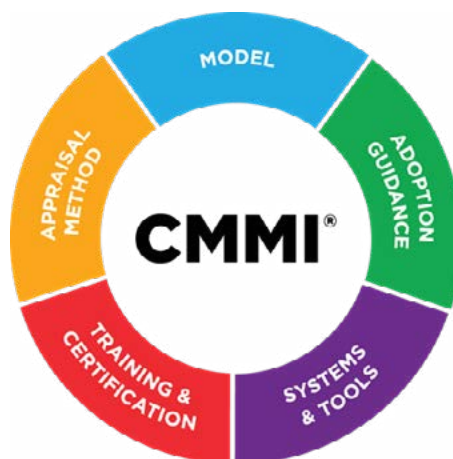
Isabel Pedrosa, lecturer, Coimbra Business School, ISCAC; Matthieu Gorge, CEO, VigiTrust; and Maria Walsh, member of the European Parliament, EEP Group, participated in ISACA's panel on The Importance of a Skilled Workforce for Europe's Digital Decade panel.



- Mapped ISACA credentials to the European Cybersecurity Skills Framework (ECSF) for assisting cybersecurity career paths in Europe and participating in European working groups and forums.
- Promoted the importance of a digitally skilled workforce and a culture of digital trust to realize objectives set by EU and UK regulators and fully comply with key digital and cybersecurity regulations.
- Engaged proactively with the UK Cyber Security Council to align ISACA credentials with the council's framework. ISACA had a pivotal role in designing and executing a groundbreaking Cybersecurity Audit and Assurance pilot program. This is part of ISACA's dedication to not only meeting industry standards but actively shaping and advancing them in collaboration with key industry stakeholders.
- Forged a noteworthy alliance with the European Cyber Security Organisation (ECSO) with the goal of fortifying cybersecurity measures and nurturing digital skills across Europe.

In 2022, ISACA established an office in Dublin to serve as a hub for cooperation between European regions, chapters and members, and to facilitate collaboration with key public and private stakeholders, government institutions, enterprises, and academia, in pursuit of digital trust. In 2023 ISACA Europe has continued its work with the UK and EU stakeholders and the digital sector as a whole, participating for the first time on bids related to EU programs and funds financed from the EU budget and NextGenerationEU.

Improving business performance with CMMI and VIP



ISACA's performance improvement framework, the Capability Maturity Model Integration (CMMI), released a major update in 2023. CMMI V3.0 aligns business goals with operations and capabilities to drive measurable and sustainable improvements for key drivers such as time, quality, budget and customer satisfaction. The updated version provides even more flexibility for organizations to improve and align business processes to desired outcomes. CMMI is trusted by organizations worldwide to increase their value, adapt and achieve ambitious business goals.

- ISACA introduced a new credentialing pathway to align with CMMI V3.0, including a CMMI Practitioner Certification and several updates to CMMI trainings and exams.
- CMMI V3.0 incorporated new content on People Management, Data Management and Virtual Delivery.

- 5,300 CMMI Appraisals were delivered, an 18 percent increase year-over-year.
- CMMI leaders participated in ISACA's Hill Day to inform US government agencies about the benefits of adopting CMMI.
- Advocacy efforts were scaled for increased adoption of CMMI and performance-improving models by leveraging key European regulations, participating in public policy initiatives and responding to official consultations with the main European regulators.

ISACA promoted the awareness of CMMI's reciprocity for industry and government, including the Federal Risk and Authorization Management Program (FedRAMP), Cybersecurity Maturity Model Certification (CMMC) and the AI Safety Institute.

In a major accomplishment for ISACA's Voluntary Improvement Program (VIP), the US Food and Drug Administration (FDA) announced its support of VIP through final guidance published in 2023. VIP enables medical device makers to design, build and deliver safer products to patients, faster. Other VIP achievements included:

- More than 110 facilities across 23 companies are enrolled in VIP; 15 new sites were added in 2023.
- VIP expanded into the Middle East and China, bringing the program's adoption to 19 countries.
- ISACA achieved a 96 percent renewal rate for facilities in 2023.

Sharing Global Expertise

Professionals gathering to share world-class business and technology expertise, experiences and insights into future trends with colleagues and peers is the priority for all ISACA global conferences and events. ISACA strengthened its position as a globally recognized thought-leader and provider of education through its long roster of in-person and virtual events for many decades, and in 2023 this tradition continued.

- ISACA North America Conference: Digital Trust World was held in Boston, Massachusetts, USA, and Digital Trust World Europe 2023 was held in Dublin, Ireland. Both events brought together global professionals to interact, exchange opinions, meet with peers, learn from high-profile speakers and demonstrate how the global ISACA community is contributing to increasing trust in digital ecosystems.
- ISACA China successfully held the second Digital Trust Summit in Shanghai. More than 300 digital trust professionals participated in the sessions, which focused on governance, risk and compliance (GRC), data security and privacy, CMMI and IT audit education.



Marilize vanSchalkwyk

Silver Member
Windhoek Chapter, Namibia

Prof. Chen Zhong, College of Computer Science and director of Blockchain Research Center, Peking University, and Mr. Jin Panshi, CIO of China Construction Bank, delivered keynote speeches.

- The 2023 GRC Conference, hosted by The IIA and ISACA, achieved its largest attendance ever.
- ISACA achieved high average satisfaction scores across all education events: summits 99 percent, webinars 97 percent and conferences 92 percent.

- The virtual Digital Trust World was ISACA's first to utilize new tools and an innovative platform that provided participants with a hyper-personalized and engaging experience.
- ISACA also hosted 42 webinars, four Virtual Summits, three in-person conferences and one virtual conference.

Global awareness of ISACA and its thought leadership continued to advance through extensive media coverage, especially of ISACA's Generative AI Pulse Poll and State of Privacy, Cybersecurity and Digital Trust research. Top influential media outlets featuring ISACA's news and reports included *Financial Times*, *Forbes*, *POLITICO*, *Fortune's CFO Daily*, *Dark Reading* and *The Times of India*. Results included:

- A 290 percent increase in media coverage in Europe
- More than 10,000 media mentions globally



ISACA continued to involve its global community to ensure its vast array of content covered the most critical topics, provided the greatest value and was readily accessible.

- 363 global volunteers helped shape ISACA's content.
- The *ISACA Journal* had more than 1.1 million website page views.
- ISACA implemented a new content management system to improve speed to market.
- Free CPE quizzes were added to white papers to expand members' access to CPE credits while validating their knowledge.
- ISACA's *State of Digital Trust 2023* report was downloaded 7,100 times.
- The State of Privacy webinar, based on ISACA's *Privacy in Practice* report, attracted 8,100 registrants.

Increasing Operational Efficiency

To help ensure the most effective and secure operations and analysis for all members, ISACA implemented a new financial system. As online purchasing continues to grow exponentially, ISACA launched the first phase of its new enterprise e-commerce portal to provide more robust capabilities and a platform to further accelerate transformation.

ISACA Fueling the Future

Innovation, security, efficiency, speed and digital trust are requirements for all organizations to compete effectively in the future. Throughout 2023, ISACA galvanized the right resources and people to drive forward in these areas and grow its global community. During this dynamic time, ISACA continued to provide valuable forward-looking guidance for global enterprises and for members throughout every step of their careers.

Members are Vital to Keeping ISACA Ahead of Future Developments



ISACA FOUNDATION

Fueling the Workforce by Developing Future Leaders

Building equity, equality, access and engagement for all communities is critically important to remaining competitive in the continually evolving technology landscape.

Since 2020, ISACA Foundation has inspired and enabled ISACA's growing global community of digital trust professionals to support the next generation of IT audit, risk, security, assurance and cyber leaders.

ISACA Foundation helps remove barriers and create pathways for all individuals to receive equitable access to education and training through its two programs: the ISACA Scholarship Program and the Digital Trust Workforce Inclusion Program, both of which had notable results in 2023. Through these initiatives, ISACA Foundation provides opportunities for

underrepresented individuals to enter audit and security professions and work toward leadership positions.

Technology advances quickly and the worldwide talent shortage affects enterprises every day. Growing diversity and inclusion in audit and cyber careers is a tangible way of addressing the global workforce crisis and ensuring enterprise leaders can deliver on their responsibilities to create value, drive innovation, spur problem solving and foster teamwork. This commitment to opportunity benefits all of technology and society.

2023 FOUNDATION HIGHLIGHTS



Scholarship Program

1,800+
APPLICANTS

174
RECIPIENTS

US \$329,000
IN SCHOLARSHIP FUNDS AWARDED

20
COUNTRIES
REPRESENTED
BY
RECIPIENTS

22
PARTNERS

320
ISACA
VOLUNTEERS



Digital Trust Workforce Inclusion Program

This program, which serves diverse and underserved populations, expanded to five US cities in partnership with the Caterpillar Foundation. Local delivery partners have been an important component, providing tangible benefits for these future professionals, including space to host courses, assistance with participant selection and coordination of donated laptops.

58
CERTIFICATES
EARNED

166
TOTAL LEARNERS
SERVED

87%
PERCENT OF PARTICIPANTS FROM
A DIVERSE BACKGROUND

Financials

2023 was a year of change for ISACA, marked by strategic investments and resilient revenue growth amidst significant internal and external changes.

During the year, ISACA embarked on a new chapter with the appointment of a permanent CEO to replace the interim, ushering in fresh leadership and a new strategic direction. We took proactive measures to streamline operations, including a reduction in force and targeted expense reductions to better align our cost structure with revenue and mission expectations.

Recognizing the importance of positioning ISACA for future success, we also made several one-time investments to renew our strategy, stabilize our team, right-size the organization, and continue our investments in technology to improve our capability. These strategic investments added one-time costs to our expenses, which coupled with previously higher than reasonable staffing levels, led to an operating loss for the year. We however believe that these were critical one-time expenditures that have set us up for a more sustainable financial future. ISACA achieved a milestone year with total annual revenue reaching \$104.7 million, driven by strong growth in core programs including credentials, membership and training.

ISACA's investment portfolio recorded an unrealized gain of \$8.3 million in 2023 with a rebound of the global financial markets, validating our balanced investment strategy and further strengthening our financial position. ISACA's net assets stood at \$95.5 million at year-end, with \$46.0 million designated for strategic reserves to fuel future growth opportunities and member-focused initiatives, and the rest designated as operating reserves for emergency purposes.

As we move into 2024 and beyond, ISACA remains committed to monitoring key business drivers and economic conditions, ensuring agility and responsiveness to emerging opportunities and challenges. We will continue to invest in our membership and the membership experience through new learning modules, a new framework and improved technology. We believe such investments are critical for us to pursue our vision of empowering professionals and organizations in the ever-evolving landscape of technology and cybersecurity.

AUDIT & RISK

Committee Chair's Letter

The Audit & Risk Committee of the Board of Directors (the Board) of ISACA, Inc., ISACA Global, Inc. (IGI), ISACA Europe Limited, and One In Tech, an ISACA Foundation, together hereinafter referred to as (the "Organization"), oversees the Organization's financial reporting process on behalf of the Board, and is composed of four independent members. In fulfilling its responsibility, the committee recommended to the Board the selection of the Organization's independent certified public accountants.

The committee discussed with the independent certified public accountants the overall scope and specific plans for their audit.

The committee also discussed the Organization's consolidated financial statements and the adequacy of its internal controls.

The committee met with the Organization's independent certified public accountants, without management present, to discuss the results of their examination, their evaluation of the Organization's internal controls, and the overall quality of the Organization's financial reporting.



Maureen O'Connell
CHAIR, AUDIT & RISK COMMITTEE

MANAGEMENT REPORT ON RESPONSIBILITY FOR

Financial Reporting

The management of ISACA, Inc., ISACA Global, Inc. (IGI), ISACA Europe Limited, and One In Tech, an ISACA Foundation, together hereinafter referred to as (the "Organization") has the responsibility for the preparation, integrity and fair presentation of the accompanying financial statements. The statements were prepared in accordance with generally accepted accounting principles applied on a consistent basis and, as such, include amounts that are based on management's best estimates and judgments. Management also prepared the other information in the annual report and is responsible for its accuracy and consistency with the financial statements.

The Organization's financial statements for 2023 have been audited by Crowe LLP, independent certified public accountants, elected by the Board of Directors (the Board). Management has made available to Crowe LLP all of the Organization's financial records and related data, as well as the minutes of the Board's meetings. Management believes that all representations made to Crowe LLP during its audit were valid and appropriate.

The Organization maintains a system of internal control that is designed to provide reasonable assurance to management and to the Board regarding the preparation and publication of reliable and accurate financial statements, the effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The system includes a documented organizational structure and division of responsibility, established policies and procedures that are communicated throughout the Organization, and the careful selection, training and development of personnel. Management also recognizes its responsibility for fostering a strong ethical climate so that the Organization's affairs are conducted according to the highest standards of personal and corporate conduct.

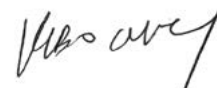
There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation.

The Organization evaluates its internal control system in relation to criteria for effective internal control over financial reporting described in *Internal Control—Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission, and as of 31 December 2023, the Organization believes that its system of internal control over financial reporting met those criteria.

As part of its audit of the Organization's financial statements, Crowe LLP obtained 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 the Organization's internal control. Management and Crowe LLP have discussed the internal controls with the Audit & Risk Committee as part of the committee's acceptance of the financial statements. The Board, operating through its Audit & Risk Committee, which is composed entirely of members who are not officers or employees of the Organization, provides oversight to the financial reporting process.



Erik Prusch
ISACA CEO



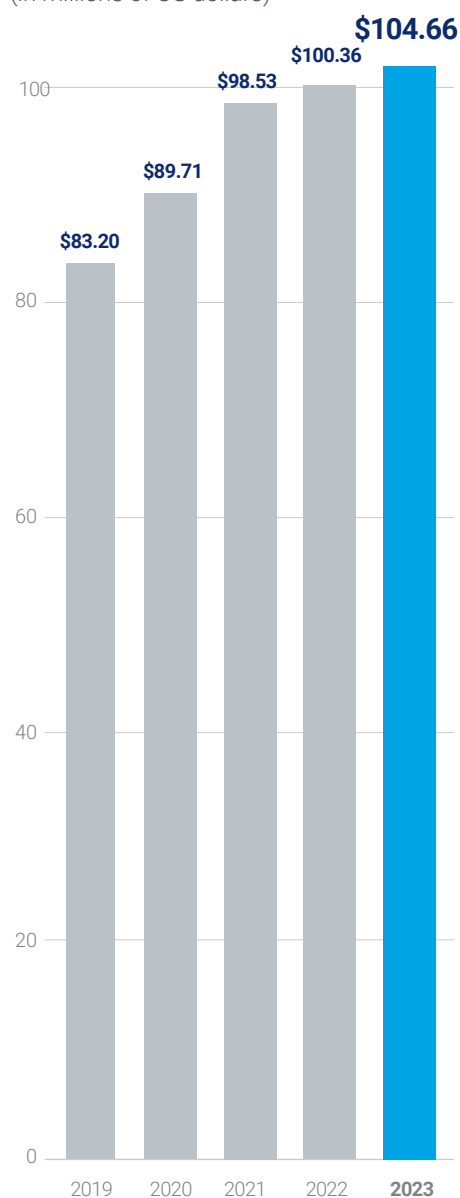
Thomas Kyer-Boateng
CHIEF FINANCIAL OFFICER

Consolidated and Combined Financial Statements

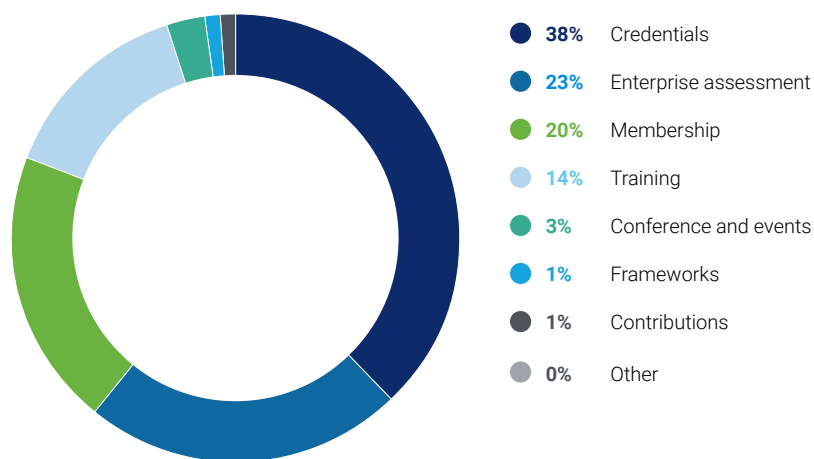
All monetary amounts included in the financial statements are in US dollars.

HISTORICAL REVENUES

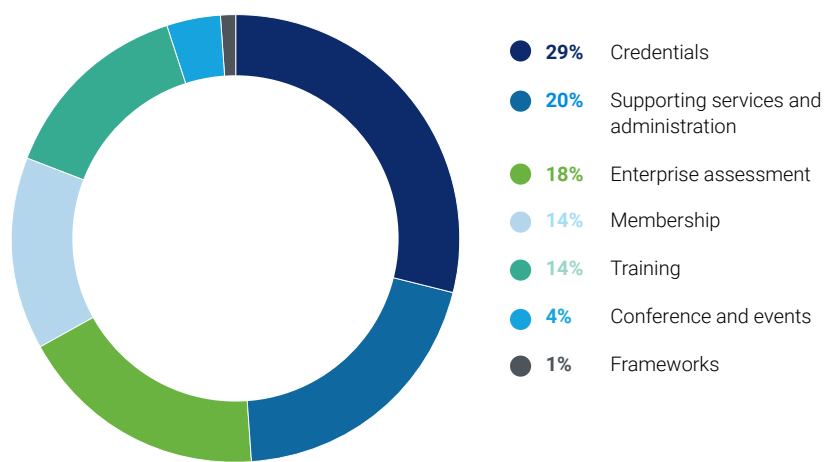
(in millions of US dollars)



2023 OPERATING REVENUES



2023 OPERATING EXPENSES



Independent Auditor's Report

THE BOARD OF DIRECTORS

ISACA, Inc. and Affiliates

Opinion

We have audited the consolidated and combined financial statements of ISACA, Inc. and Affiliates (collectively, the "Organization"), which comprise the consolidated and combined statements of financial position as of 31 December 2023 and 2022, and the related consolidated and combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated and combined financial statements present fairly, in all material respects, the consolidated and combined financial position of ISACA, Inc. and Affiliates as of 31 December 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and combined 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 and combined financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 and combined 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 and combined 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 and combined 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 the Organization'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 and combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.


CROWN LLP

Chicago, Illinois
1 April 2024

ISACA, INC. AND AFFILIATES**CONSOLIDATED AND COMBINED STATEMENTS OF FINANCIAL POSITION**

31 December 2023 and 2022

ASSETS

	2023	2022
Current assets		
Cash and cash equivalents	\$ 29,744,638	\$ 25,402,536
Investments	91,538,503	92,561,472
Accounts receivable, net	10,778,351	15,580,888
Prepaid expenses	3,050,542	2,818,390
Inventory, net	625,485	728,534
Other current assets	1,216,536	1,006,846
Total current assets	136,954,055	138,098,666
Fixed assets		
Leasehold improvements	1,099,569	1,105,369
Right of use asset - operating leases	5,431,078	6,344,067
Furniture and fixtures	2,044,791	2,198,264
Office equipment	82,764	67,233
Computer system	19,798,890	18,227,458
	28,457,092	27,942,391
Less accumulated depreciation and amortization	(17,358,642)	(16,321,275)
Net fixed assets	11,098,450	11,621,116
Other assets		
Goodwill	1,324,000	1,324,000
Intangible assets, net	2,322,832	2,938,177
Total other assets	3,646,832	4,262,177
Total assets	\$ 151,699,337	\$ 153,981,959

LIABILITIES AND NET ASSETS

	2023	2022
Current liabilities		
Accounts payable and accrued expenses	\$ 22,213,902	\$ 23,913,727
Deferred revenues	27,411,682	26,722,206
Operating lease liability, current	1,224,583	1,109,219
Other liabilities	4,926	3,497
Total current liabilities	50,855,093	51,748,649
Long-term liabilities		
Operating lease liability, net of current	5,347,132	6,379,448
Total long-term liabilities	5,347,132	6,379,448
Total liabilities	56,202,225	58,128,097
Net assets		
Without donor restrictions		
Board designated	49,518,944	41,794,104
Undesignated	45,978,168	54,059,758
Total without donor restrictions	95,497,112	95,853,862
With donor restrictions	—	—
Total net assets	95,497,112	95,853,862
Total liabilities and net assets	\$ 151,699,337	\$ 153,981,959

See accompanying notes to consolidated and combined financial statements.

ISACA, INC. AND AFFILIATES**CONSOLIDATED AND COMBINED STATEMENT OF ACTIVITIES**

Year Ended 31 December 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Credentials	\$ 39,450,401	\$ –	\$ 39,450,401
Training	15,307,550	–	15,307,550
Enterprise assessment	23,889,164	–	23,889,164
Frameworks	1,195,249	–	1,195,249
Membership	20,718,155	–	20,718,155
Conference and events	3,403,109	–	3,403,109
Contributions	540,743	–	540,743
Other	159,910	–	159,910
Total operating revenues	104,664,281	–	104,664,281
Operating expenses			
Program services			
Credentials	34,308,263	–	34,308,263
Training	16,237,965	–	16,237,965
Enterprise assessment	20,795,805	–	20,795,805
Frameworks	1,057,153	–	1,057,153
Membership	16,637,590	–	16,637,590
Conference and events	4,323,966	–	4,323,966
Total program services	93,360,742	–	93,360,742
Supporting services			
Board and administrative	23,149,853	–	23,149,853
Total supporting services	23,149,853	–	23,149,853
Total operating expenses	116,510,595	–	116,510,595
Change in net assets from operations	(11,846,314)	–	(11,846,314)
Other gains (losses)			
Net investment return	11,597,802	–	11,597,802
Net realized and unrealized losses on foreign currency exchange	(108,238)	–	(108,238)
Total other gains (losses)	11,489,564	–	11,489,564
Change in net assets	(356,750)	–	(356,750)
Net assets, beginning of year	95,853,862	–	95,853,862
Net assets, end of year	\$ 95,497,112	–	\$ 95,497,112

See accompanying notes to consolidated and combined financial statements.

ISACA, INC. AND AFFILIATES**CONSOLIDATED AND COMBINED STATEMENT OF ACTIVITIES**

Year Ended 31 December 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Credentials	\$ 36,432,012	\$ –	\$ 36,432,012
Training	13,858,028	–	13,858,028
Enterprise assessment	24,662,757	–	24,662,757
Frameworks	1,138,807	–	1,138,807
Membership	20,226,423	–	20,226,423
Conference and events	3,690,373	–	3,690,373
Contributions	119,117	–	119,117
Other	235,032	–	235,032
Net assets released from restrictions	41,111	(41,111)	–
Total operating revenues	100,403,660	(41,111)	100,362,549
Operating expenses			
Program services			
Credentials	32,467,879	–	32,467,879
Training	15,093,040	–	15,093,040
Enterprise assessment	20,468,900	–	20,468,900
Frameworks	944,717	–	944,717
Membership	16,493,877	–	16,493,877
Conference and events	4,488,497	–	4,488,497
Total program services	89,956,910	–	89,956,910
Supporting services			
Board and administrative	17,840,484	–	17,840,484
Total supporting services	17,840,484	–	17,840,484
Total operating expenses	107,797,394	–	107,797,394
Change in net assets from operations	(7,393,734)	(41,111)	(7,434,845)
Other losses			
Net investment return	(12,150,908)	–	(12,150,908)
Net realized and unrealized losses on foreign currency exchange	(239,671)	–	(239,671)
Total other losses	(12,390,579)	–	(12,390,579)
Change in net assets	(19,784,313)	(41,111)	(19,825,424)
Net assets, beginning of year	115,638,175	41,111	115,679,286
Net assets, end of year	\$ 95,853,862	–	\$ 95,853,862

See accompanying notes to consolidated and combined financial statements.

ISACA, INC. AND AFFILIATES**CONSOLIDATED AND COMBINED STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended 31 December 2023

	Program Services	Support Services	Total
Compensation	\$ 48,425,271	\$ 11,484,273	\$ 59,909,544
Professional fees	6,856,032	5,756,361	12,612,393
Facilities, infrastructure, and insurance	7,660,626	3,072,956	10,733,582
Marketing and promotions	7,798,852	74,107	7,872,959
Depreciation and amortization	3,211,300	878,432	4,089,732
Course and training costs	3,842,353	–	3,842,353
Other operating expenses	2,919,511	568,280	3,487,791
Conference	3,255,512	1,683	3,257,195
Supplies, printing, postage and shipping	2,507,582	152,301	2,659,883
Test administration fees	2,658,163	–	2,658,163
Travel	1,345,141	1,159,908	2,505,049
Bank, credit card and interest fees	2,374,743	1,552	2,376,295
Royalties and commission	505,656	–	505,656
Total	\$ 93,360,742	\$ 23,149,853	\$ 116,510,595

See accompanying notes to consolidated and combined financial statements.

ISACA, INC. AND AFFILIATES**CONSOLIDATED AND COMBINED STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended 31 December 2022

	Program Services	Support Services	Total
Compensation	\$ 43,495,895	\$ 9,960,841	\$ 53,456,736
Professional fees	6,678,748	2,097,621	8,776,369
Facilities, infrastructure, and insurance	6,784,268	2,780,241	9,564,509
Marketing and promotions	10,844,104	80,889	10,924,993
Depreciation and amortization	4,326,922	1,070,759	5,397,681
Course and training costs	4,286,630	–	4,286,630
Other operating expenses	2,092,594	848,066	2,940,660
Conference	2,942,522	–	2,942,522
Supplies, printing, postage and shipping	1,734,607	191,019	1,925,626
Test administration fees	2,543,886	–	2,543,886
Travel	1,168,026	805,962	1,973,988
Bank, credit card and interest fees	2,387,815	5,086	2,392,901
Royalties and commission	670,893	–	670,893
Total	\$ 89,956,910	\$ 17,840,484	\$ 107,797,394

See accompanying notes to consolidated and combined financial statements.

ISACA, INC. AND AFFILIATES**CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS**

Years Ended 31 December 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ (356,750)	\$ (19,825,424)
Adjustments to reconcile change in net assets to Net cash (used in) provided by operating activities		
Depreciation	2,467,979	2,735,169
Amortization of intangible assets	1,621,753	2,662,512
Credit loss expense	1,500,000	537,500
Loss on disposal of equipment	44,008	–
Net realized and unrealized (gains) losses on investments	(8,315,006)	14,937,370
Non-cash rent expense	–	2,404
Changes in assets and liabilities		
Accounts receivable	3,302,537	(2,968,471)
Prepaid expenses and other current assets	(441,842)	297,827
Inventory	103,049	(113,450)
Operating lease liability	(916,952)	(972,470)
Accounts payable and accrued expenses	(1,699,825)	1,809,732
Deferred revenues	689,476	5,897,565
Other liabilities	1,429	3,497
Net cash (used in) provided by operating activities	(2,000,144)	5,003,761
Cash flows from investing activities		
Purchases of fixed assets	(1,989,319)	(2,697,614)
Purchases of intangible assets	(1,006,409)	(545,912)
Purchases of investments	(5,018,897)	(22,714,040)
Proceeds from the sale of investments	14,356,871	20,127,241
Net cash provided by (used in) investing activities	6,342,246	(5,830,325)
Net change in cash and cash equivalents	4,342,102	(826,564)
Cash and cash equivalents, beginning of year	25,402,536	26,229,100
Cash and cash equivalents, end of year	\$ 29,744,638	\$ 25,402,536
Supplemental disclosure		
Cash paid for operating leases	\$ 1,062,200	\$ 972,470
Significant noncash operating and investing activities:		
Right of use asset - operating leases	–	\$ 625,519
Operating lease liability	–	\$ 625,519

See accompanying notes to consolidated and combined financial statements.

ISACA, INC. AND AFFILIATES**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS**

31 December 2023 and 2022

Note 1 - Organization

The Organization consists of ISACA, Inc. (the "Association" or "ISACA"), IT Governance Institute, Inc. (the "Institute" or "ITGI"), ISACA Global, Inc. ("IGI"), One in Tech, an ISACA Foundation ("One in Tech", "OIT", or the "Foundation") and ISACA Europe Limited collectively, (the "Organization"). The Organization operates on a global basis, with the majority of revenues and net assets attributable to the Association, the predominant entity within the Organization. The Organization maintains its books and records at its global office building located in Schaumburg, Illinois, USA.

The Association was incorporated in 1969 under the name Electronic Data Processing Auditors Association, a California (USA) not-for-profit corporation. In 1993, to reflect the evolving state of technology, as well as the Association's expanding constituency base, the name was changed to Information Systems Audit and Control Association, Inc. The Association now presents itself by its acronym, ISACA. With more than 180,000 members in more than 185 countries, ISACA is a leading global provider of knowledge, certifications, community, advocacy and education on information systems ("IS") assurance and security, enterprise governance and management of Information Technology ("IT"), and IT-related risk and compliance. ISACA hosts international conferences, publishes the *ISACA® Journal*, and develops international IS auditing and control standards. ISACA also administers the globally respected Certified Information Systems Auditor ("CISA"), Certified Information Security Manager ("CISM"), Certified in the Governance of Enterprise IT ("CGEIT"), Certified in Risk and Information Systems Control ("CRISC"), Certified Data Privacy Solutions Engineer ("CDPSE") and Cybersecurity Practitioner ("CSX-P") designations. In addition, the Association supports development, update and education activities related to COBIT, a globally adopted business framework for governing and managing enterprise IT.

The Institute was dissolved as of 30 April 2022 with all net assets being transferred to One in Tech as of that date.

IGI was incorporated in 2016 as a special purpose Delaware for-profit C-corporation. The Association owns 100% of the interest in IGI. The special purpose of this subsidiary is to act as a flexible vehicle to establish entities in countries outside the United States to conduct business and other activities aimed at furthering ISACA's mission in those countries while also providing the necessary protection of ISACA's nonprofit tax status and its investable assets. On 12 April 2017, IGI received a business license for a wholly foreign-owned enterprise ("WFOE") in China, ISACA IT Technology (Beijing) Co., Ltd. The WFOE is 100% owned by IGI and is the only subsidiary of IGI as of 31 December 2021. The WFOE provides certain services to Chinese customers, including technology promotion, technology consulting, technology transfer and technical services of information security as well as corporate planning, marketing, and other business services. IGI's financial statements are presented on a consolidated basis.

Foundation was established in 2019, to foster and build diversity and inclusion in the cyber professions through its programs, partnerships, and grantmaking. The core programs of the Foundation focus on accelerating careers through SheLeadsTech and funding continuing education through the OIT Scholarship Program. ISACA is deemed to have control over OIT but not economic interest and therefore is presented on a combined basis. As previously noted, the net assets of the Institute were transferred to One in Tech as of 30 April 2022.

ISACA Europe Limited was incorporated in 2022 as a for profit corporation with Europe. The Association owns 100% of the interest of ISACA Europe Limited. The purpose of this subsidiary is to provide a local presence within Europe and allow transactions to be conducted locally. The offices of ISACA Europe Limited are located in Dublin, Ireland. ISACA Europe had operating expenses, but no operating revenues during the year ended 31 December 2023.

Note 2 - Summary Of Significant Accounting Policies

Basis of Presentation: The consolidated and combined financial statements include the assets, liabilities, net assets and financial activities of the Organization. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Significant intercompany balances have been eliminated in consolidating and combining the entities. The Organization has a relationship with ISACA chapters located throughout the world; however, the chapters are not fiscally accountable to the Organization and, accordingly, have not been included in the accompanying consolidated and combined financial statements.

Use of Estimates: The preparation of the consolidated and combined 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 of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated and combined financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value: Pursuant to the accounting guidance for fair value measurements and its subsequent updates, fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Organization considers the most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement; however, the determination of what constitutes observable requires significant judgment. The fair value hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Quoted prices, other than quoted prices included in Level 1, that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Inputs that are unobservable for the assets or liabilities.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall within the lowest level input that is significant to the fair value measurement in its entirety.

The Organization also entered into an investment in a fund of hedge fund investment vehicle, commonly referred to as an alternative investment. Alternative investments of this nature are valued using an estimated Net Asset Value (NAV) as reported by the related fund manager. NAV is used as a practical expedient to estimate fair value of the Organization's interest.

Concentration of Credit Risk: Certain financial instruments, primarily cash, cash equivalents and investments, subject the Organization to credit risk. The Organization maintained cash balances (non-interest-bearing) in 2023 and 2022 at a financial institution in excess of the federally insured limit. Additionally, the Organization held \$4,950,581 and \$2,369,009 in foreign bank accounts as of 31 December 2023 and 2022, respectively. The Organization has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on cash and cash equivalents. With respect to investments, concentration is limited through the diversification of the portfolio. As of 31 December 2023 and 2022, the Organization maintained 21% and 17%, respectively, of its investment balance in a single mutual fund, an index fund designed to replicate the performance of the S&P 500 index. As an index fund, its goal is to maintain a level of broad diversification consistent with its target index, whose constituent components include approximately 500 stocks capitalization weighted across a variety of industry sectors.

Cash and Cash Equivalents: Cash and cash equivalents consist primarily of non-interest-bearing deposits with maturity dates of three months or less at the time of purchase to be used for operating purposes. These deposits are carried at cost, which approximates fair value.

Investments: Investments, other than money market funds and interest-bearing deposits, are reflected in the accompanying consolidated and combined financial statements at fair value according to GAAP. All investment activity is reflected in the accompanying consolidated and combined statements of activities as net investment return.

Accounts Receivable: Accounts receivable are due within 30 days, or as otherwise agreed-upon, and are stated at amounts due from customers' net of an allowance for doubtful accounts. Accounts outstanding longer than the contractual payment terms are considered past due. The Organization determines its allowance for doubtful accounts by considering a number of factors, including the length of time that trade accounts receivable are past due, the Organization's loss history, the customer's current ability to pay its obligation to the Organization, and the condition of the general economy and the industry as a whole. The Organization writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

Inventory: Inventory consists of study aids and other publications printed for the Organization for sale to its members and interested outside parties. In addition, there are ISACA-branded materials held in the online storefront, available to its Chapters for purchase. Inventory is valued at the lower of cost or market, with cost determined by the average cost method. Provisions for obsolete items are based on estimated future usage as related to quantities of stock on hand.

Fixed Assets: Fixed assets are carried at cost. Depreciation is computed using the straight-line method. The estimated useful lives of the related assets range from two to ten years. Leasehold improvements are amortized using the straight-line method over the shorter of the lease terms or their estimated useful lives. Depreciation expense totaled \$2,467,979 and \$2,735,169 for the years ended 31 December 2023 and 2022, respectively.

Net Assets: Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions using the following classifications:

Without donor restrictions - Represents unrestricted resources available for support of daily operations and contributions received with no donor restriction. The Board may designate certain net assets for a particular function or activity.

With donor restrictions - Represents resources that are subject to restrictions imposed by the donor that will be met either by actions of the Organization or the passage of time or are restricted to investments in perpetuity. When a donor restriction has been satisfied by incurred expenses consistent with the designated purpose, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Promotion and Advertising Costs: Promotion and advertising costs are expensed as incurred. Total promotion and advertising costs were \$7,872,959 and \$10,924,993 for the years ended 31 December 2023 and 2022, respectively.

Functional Expenses: The costs of providing program and other activities have been summarized on a functional basis in the consolidated and combined statements of functional expenses. Expenses directly attributable to a specific functional area for the Organization are reported as expenses of those functional areas. Accordingly, certain costs have been allocated among program services and management and general expenses. Such allocations are determined by management on an equitable basis. A portion of the costs that benefit multiple functional areas have been allocated across program and support functions based on headcount and on the proportion of time spent in a particular area, as well as being allocated based on revenues per functional area.

Reclassifications: Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications did not have any impact on total net assets or changes in net assets.

Recently Adopted Accounting Pronouncements: In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments-Credit Losses Topic 326* ("Topic 326"), which requires entities to measure all expected credit losses for financial instruments held at the reporting date. The Organization adopted this standard effective January 1, 2023. The new expected loss measurement model, known as the current expected credit loss ("CECL") model, is based on expected losses rather than incurred losses. Topic 326 is applicable to financial assets measured at amortized cost, such as accounts receivable. It requires historical loss data to be adjusted to reflect changes in asset-specific considerations, current conditions, and reasonable and supportable forecasts of future economic conditions. The expected credit losses are adjusted each financial reporting period for changes in expected lifetime credit losses. The Organization adopted Topic 326 using the modified retrospective transition approach, which involves recognizing the cumulative effect of the initial adoption of Topic 326 as an adjustment to its opening retained earnings at January 1, 2023. Therefore, comparative information prior to the adoption date has not been adjusted. As a result of adoption of Topic 326, the Organization did not recognize an incremental allowance for credit losses on its accounts receivable for the year ended December 31, 2023. The adoption of this standard did not have a significant impact on the Organization's consolidated financial statements.

Note 3 - Revenue

The Organization recognizes revenue under Topic 606 when (or as) the promised services are transferred to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those services. To determine revenue recognition when contracts are within the scope of ASC 606, the Organization performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligation(s) in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligation(s) in the contract; and (v) recognize revenue when (or as) the performance obligation(s) are satisfied. At contract inception, the Organization assesses the services promised within each contract, assesses whether each promised service is distinct and identifies those that are performance obligations. The Organization recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

Nature and Timing of Revenues

Credentials: Credential revenue, consisting of exam sitting fees and application fees, is recognized when payment is received and the Organization has satisfied the related performance obligation. Maintenance certification fees are recognized on a straight-line basis over the annual certification period. Grandfathering fees are recognized when the customer application is approved.

Training: Training revenue is comprised of revenue from webinars, and online training. Webinar revenue consists of webinars delivered in live, live-online, or on-demand online formats. Webinar revenue is recognized for live and live-online webinars on the day of the webinar. On-demand online courses etc., in which customers have access to online training, are recognized on the day the customer makes payment and the Organization has satisfied the related performance obligation by making the course available to the customer. In addition, test preparation and other publication revenue consists of course instruction and self-study material sales. Publication revenue is recognized when access to the course materials is delivered to the customer or when hard physical copies are mailed.

Enterprise Assessment: Enterprise assessment revenue consists of the following:

- **Partner fees:** this includes the annual support fees for partners, and the individuals' certified roles. Revenue is recognized on a straight-line basis over the course of 12 months, which is the period of time over which the performance obligations are satisfied. Also included in here are per seat fees and appraisal fees. Revenue for these fees are recognized after the instructor or lead appraiser has completed their work and all necessary paperwork has been submitted.
- **Subscription and program fees:** this includes subscription fees to the Enterprise Licenses, Annual Model Viewer Subscriptions, Medical Device Discovery Appraisal Program ("MDDAP") Program Fees and Cyber Maturity Subscriptions. Revenue is recognized straight-line over the course of 12 months, which is the period of time over which the performance obligations are satisfied.

- **Consulting and professional services:** this includes consulting, appraisals and on-site trainings, Data Management Maturity ("DMM") consulting, assessments and trainings, and Cyber Maturity set up fees, consulting and risk assessments. Revenue is recognized as the services are provided. If the scope of work carries over multiple months, revenue is recognized for each engagement based on the percentage of work completed at the end of each month.
- **Appraisals, observations, and instructor led trainings:** this includes MDDAP appraisals conducted, Capability Maturity Model Integration ("CMMI") product and DMM observations and all instructor led training courses taught. Revenue for all of these services are recognized when the service has been completed and the obligation has been fulfilled.
- **End User Products and Sponsorship:** This includes the purchase of items from the CMMI Institute website. Revenue is recognized at the time of sale as the customer receives immediate access to the eLearning, on-line tools, or the information download. This also includes sponsorship revenue which is recognized at time of the event.

Frameworks: Framework revenue consists of all products related to COBIT, including publications, online training, and accreditation. Revenue for these products is recognized in the same manner, i.e. publication revenue is recognized when access to the course materials is delivered to the customer or when hard physical copies are mailed, on-demand online courses etc., in which customers have access to online training, are recognized on the day the customer makes payment, and accreditation is recognized when payment is received, and customer is entitled to benefit.

Membership: Membership revenue includes dues revenue and is recognized on a straight-line basis over the membership period. Subscription revenue is recognized on a straight-line basis over the subscription period. This also includes advertising/sponsorship revenue which is recognized at time of the event.

Conference and Events: Conference and events revenue is comprised of revenue from conferences, and sponsorships. Conference revenue consists of revenue from attendees, sponsors, and exhibitors. Conference and sponsorship revenue is recorded at the time of the event.

Contributions: Contributions are recorded as either with donor restriction or without donor restriction. Contributions with donor restrictions are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as contributions without donor restrictions in the statements of activities.

Other: This consists of sponsorship/advertising, and other miscellaneous revenue. Sponsorship/advertising revenue is recognized at the time of the event.

Note 4 - Availability And Liquidity

The following represents the Organization's financial assets at 31 December 2023 and 2022:

	2023	2022
Financial assets at year end		
Cash and cash equivalents	\$ 29,744,638	\$ 25,402,536
Investments	91,538,503	92,561,472
Accounts receivable, net	10,778,351	15,580,888
Total financial assets	132,061,492	133,544,896
Less amounts not available to be used within one year		
Board-designated net assets	(49,518,944)	(41,794,104)
Net assets with donor restrictions	—	—
Financial assets not available to be used within one year	(49,518,944)	(41,794,104)
Financial assets available to meet general expenditures within one year	\$ 82,542,548	\$ 91,750,792

Liquidity Management: The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Organization invests cash in excess of daily requirements in short-term investments, certificates of deposit, and money market funds.

To help manage unanticipated liquidity needs, the Organization has a margin loan agreement with Charles Schwab in which the Organization can draw up to thirty-five percent (35%) of marginable securities in its investment portfolios (see Note 8).

Additionally, the Organization has Board-designated net assets without donor restrictions that, while the Organization does not intend to spend these net assets for purposes other than those identified, the amounts could be made available for current operations, if necessary.

Note 5 - Investments

The following table presents information about the Organization's investments. Money market funds and interest-bearing deposits are stated at cost. Investments, except for alternatives, are based on quoted market prices in active markets and therefore classified as Level 1. Level 1 investments include actively listed mutual funds and exchange-traded funds.

Investments at 31 December 2023 and 2022 consisted of the following:

	2023	2022
Mutual funds		
Large cap	\$ 19,549,110	\$ 15,714,169
Mid cap	5,539,599	4,801,423
Small cap	2,645,334	2,331,097
International	19,914,983	17,256,880
Fixed income	26,037,352	32,754,346
Broad real assets	3,875,558	3,868,674
REIT	2,366,153	2,168,931
Alternatives	9,040,486	8,498,944
Money market	2,569,928	5,167,008
Total investments	\$ 91,538,503	\$ 92,561,472

The alternative investment fund (the "fund") held by the Organization is recorded at net asset value for the years ended 31 December 2023 and 2022. The underlying investment objective of the fund interest acquired in 2020 is capital appreciation with limited variability of returns. The fund attempts to achieve this objective by allocating capital among a number of underlying funds. Units in the fund are not redeemable. Rather, periodically the fund will make offers to repurchase outstanding units at the fund's discretion. The number of units that the fund will make offers to repurchase is determined by the board of the fund in its complete and absolute discretion, and such number may be all or any portion of the fund's outstanding units.

Note 6 - Accounts Receivable

Accounts receivable consist of the following at 31 December 2023 and 2022:

	2023	2022
Trade receivables	\$ 11,643,230	\$ 16,219,422
Less allowance for doubtful accounts	(864,879)	(638,534)
Accounts receivable, net	\$ 10,778,351	\$ 15,580,888

Changes in the Organization's allowance for doubtful accounts are as follows for the years ended 31 December 2023 and 2022:

	2023	2022
Beginning balance	\$ 638,534	\$ 668,281
Credit loss expense	1,500,000	537,500
Accounts written off	(1,273,655)	(567,247)
Ending balance	\$ 864,879	\$ 638,534

Note 7 - Intangible Assets

As part of the original acquisition of CMML, goodwill was recorded on the purchase. Goodwill represents the excess of the purchase price over the fair value of the net identifiable assets acquired and liabilities assumed. Goodwill is reviewed for potential impairment by the Organization annually. If a triggering event occurs that indicates the fair value may be below its carrying value, the Organization would calculate goodwill impairment. As of 31 December 2023 and 2022, the Organization determined that no adjustment for goodwill impairment was required.

The Organization incurred new product development costs that were capitalized during the year ended 31 December 2023. Intangible assets as of 31 December 2023 and 2022 consist of the following:

	Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount as of 31 December 2023
Customer relationships	14 years	\$ 900,000	\$ (503,571)	\$ 396,429
Intellectual property	14 years	2,600,000	(1,454,762)	1,145,238
Trade names	7 years	270,000	(270,000)	–
Product development	3 years	2,852,597	(2,071,432)	781,165
		\$ 6,622,597	\$ (4,299,765)	\$ 2,322,832

	Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount as of 31 December 2022
Customer relationships	14 years	\$ 900,000	\$ (439,286)	\$ 460,714
Intellectual property	14 years	2,600,000	(1,269,048)	1,330,952
Trade names	7 years	270,000	(263,571)	6,429
Product development	3 years	9,133,960	(7,993,878)	1,140,082
		\$ 12,903,960	\$ (9,965,783)	\$ 2,938,177

Amortization expense was \$1,025,424 and \$1,596,212 for the years ended 31 December 2023 and 2022, respectively. Estimated amortization expense for each of the ensuing years through 31 December 2028 and thereafter is as follows:

Year	Amount
2024	\$ 748,495
2025	479,899
2026	302,771
2027	250,000
2028	250,000
Thereafter	291,667
Total	\$ 2,322,832

Note 8 - Margin Loan

During 2014, ISACA entered into a margin loan agreement with Charles Schwab, in which Charles Schwab agreed to loan funds to ISACA based upon its investment balance with Charles Schwab. In accordance with the agreement in place, ISACA can draw up to 35% of marginable securities in the investment portfolio, at an interest rate of the Federal Funds rate plus 0.25%. As of 31 December 2023 and 2022, there was no outstanding balances on the loan.

Note 9 - Net Assets

The Association's Board of Directors designate a portion of the Organization's net assets without donor restrictions for contingency purposes in order to protect the Organization against unforeseen global events and economic downturn. The designated amount is based on a three-year average of six months' worth of operating expenses. This designated amount totaled \$49,518,944 and \$41,794,104 as of 31 December 2023 and 2022, respectively. These funds, while designated for the purposes noted above, are categorized within net assets without donor restrictions.

Robert E. Stroud Memorial Fund: In 2018, ISACA established the Robert E. Stroud Memorial Fund within ITGI, to honor the contributions, leadership, and legacy of a former member of the ISACA Board of Directors. The donor restrictions related to these funds, now within One in Tech, were released during 2022.

Note 10 - Net Assets Released From Restrictions

During 2023 and 2022, net assets were released from restrictions to satisfy the following purposes:

	2023	2022
Endowment appropriation for expenditures	\$ –	\$ 41,111

Note 11 - Related-Party Transactions

As a service to the chapters, the Association includes the amount of individual chapter dues with its annual billing and remits to the chapters' amounts collected on their behalf. The balances of \$4,427,759 and \$4,216,874 at 31 December 2023 and 2022, respectively, are reflected in accounts payable and accrued expenses and represent the unremitted portion of dues collected for individual chapters. During 2023, chapter dues collected and remitted totaled \$5,587,591 and \$5,376,706, respectively. During 2022, chapter dues collected and remitted totaled \$5,960,008 and \$5,189,372 respectively.

Note 12 - Operating Lease Right Of Use Asset and Liability

The Organization's leased assets include two office leases as of 31 December 2023, with remaining terms from less than one year up to seven years and are classified as operating leases. The Organization's leased assets also includes office equipment. Renewal options are excluded from the calculation of lease liabilities unless renewal is reasonably assured. There are no residual value guarantees or material restrictive covenants. The leases are reflected on the consolidated and combined statements of financial position through both a right-of-use asset and an operating lease liability. The right-of-use assets represent the right to use the underlying asset for the lease term and were \$5,431,078 as of 31 December 2023, and \$6,344,067 as of 31 December 2022. The lease liability represents the obligation to make lease payments arising from the lease agreement, which are discounted using the Association's incremental borrowing rate. Leases are recognized at the commencement date, or the date on which the lessor makes the underlying asset available for use, based upon the present value of lease payments, over the lease term on a straight-line basis.

The weighted average discount rate used across leases was 2% as of 31 December 2023 and 2022.

The future payments due under operating leases as of 31 December 2023 are as follows:

Years ending 31 December	Leases
2024	\$ 1,224,583
2025	1,159,855
2026	1,185,115
2027	1,210,375
2028	1,235,635
Thereafter	729,383
Subtotal	6,744,946
Less effects of discounting	(173,231)
Total	\$ 6,571,715

Note 13 - Income Taxes

The Association and the Institute have received favorable determination letters from the Internal Revenue Service stating that they are exempt from federal income taxes under Section 501(a) of the Internal Revenue Code of 1986 ("IRC"), as organizations described in Sections 501(c)(6) and 501(c)(3), respectively, except for income taxes pertaining to unrelated business income. Management has determined that there are no material uncertain positions that require recognition in the financial statements. As of 31 December 2023 and 2022, the Association and the Institute did not recognize any interest or penalties associated with tax matters.

IGI accounted for income taxes pursuant to the asset and liability method which requires deferred income tax assets and liabilities to be computed annually for temporary differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the temporary differences are expected to affect taxable income. Deferred tax assets which arose primarily from net operating loss carryforwards for federal and state income tax purposes, related to IGI and OIT, are not expected to be realizable and therefore have a valuation allowance for the full amount of the related deferred tax asset recorded.

The Association's, the Institute's, IGI's federal and state income tax returns prior to 2020 are closed, and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Note 14 - Employee Benefit Plan

The Association maintains a defined contribution retirement plan for qualified employees. Participation in the plan is optional. The Association will match the first 5% contributed by the employee. The contributions to the plan for the years ended 31 December 2023 and 2022 were \$1,998,557 and \$1,531,905, respectively.

Note 15 - Contingencies

The Organization is a party to litigation in various matters arising in the ordinary course of operations. Typically, the Organization's insurance carriers are defending these matters. Pending litigation will be vigorously defended and, in the opinion of management, is likely to be resolved without any material adverse effect upon the consolidated and combined financial statements of the Organization.

Note 16 - Subsequent Events

The Organization evaluated subsequent events through 1 April 2024, the date that the consolidated and combined financial statements were available to be issued. The Organization is not aware of any subsequent events that would require recognition or disclosure in the consolidated and combined financial statements.

