

**INTERNATIONAL SOCIETY OF
ARTHROSCOPY, KNEE SURGERY AND
ORTHOPAEDIC SPORTS MEDICINE**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

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**INTERNATIONAL SOCIETY OF ARTHROSCOPY, KNEE SURGERY AND ORTHOPAEDIC
SPORTS MEDICINE
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YEAR ENDED DECEMBER 31, 2024**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
International Society of Arthroscopy, Knee Surgery and Orthopaedic Sports Medicine
Danville, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of International Society of Arthroscopy, Knee Surgery and Orthopaedic Sports Medicine, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Society of Arthroscopy, Knee Surgery and Orthopaedic Sports Medicine as of December 31, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about International Society of Arthroscopy, Knee Surgery and Orthopaedic Sports Medicine's, ability to continue as a going concern for one year after the date the financial statements are available to be issued.


Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of International Society of Arthroscopy, Knee Surgery and Orthopaedic Sports Medicine's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about International Society of Arthroscopy, Knee Surgery and Orthopaedic Sports Medicine'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.



CliftonLarsonAllen LLP

Roseville, California
October 31, 2025

**INTERNATIONAL SOCIETY OF ARTHROSCOPY, KNEE SURGERY AND ORTHOPAEDIC SPORTS
MEDICINE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 1,021,308
Pledges Receivable, Current Portion	7,750
Accounts Receivable	27,872
Investments	7,881,088
Prepaid Expenses	139,588
Total Current Assets	9,077,606

NONCURRENT ASSETS

Pledges Receivable, net of Current Portion	34,000
Accrued Interest Receivable	42,825
Noncurrent Investments	3,656,770
Operating Right-of-Use Asset, Net	51,835
Furniture and Equipment, Net	397
Total Noncurrent Assets	3,785,827

Total Assets	\$ 12,863,433
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 378,398
Accrued Vacation and Benefits	55,697
Deferred Revenue	1,546,486
Current Maturities of Lease Liability - Operating	41,555
Total Current Liabilities	2,022,136

NONCURRENT ASSETS

Lease Liability - Operating, Net of Current Maturities	15,985
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Total Liabilities	2,038,121
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NET ASSETS

Without Donor Restrictions:	10,825,312
Total Net Assets	10,825,312

Total Liabilities and Net Assets	\$ 12,863,433
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See accompanying Notes to Financial Statements.

**INTERNATIONAL SOCIETY OF ARTHROSCOPY, KNEE SURGERY AND ORTHOPAEDIC SPORTS
MEDICINE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Membership Dues	\$ 883,044	\$ -	\$ 883,044
Combined Meeting Income	194,881	-	194,881
Registration and Subscription Income	248,851	-	248,851
Donations and Grants Income	213,999	-	213,999
Royalty Income	27,872	-	27,872
Miscellaneous Income	80	-	80
Net Assets Released from Restrictions	9,880	(9,880)	-
Total Support and Revenue	1,578,607	(9,880)	1,568,727
EXPENSES			
Program Activities:			
Education	1,037,131	-	1,037,131
Research	443,443	-	443,443
Publication	595,611	-	595,611
Management and General:			
Total Expenses	2,687,601	-	2,687,601
CHANGE IN NET ASSETS BEFORE INVESTMENT INCOME, NET	(1,108,994)	(9,880)	(1,118,874)
INVESTMENT INCOME, NET	881,559	-	881,559
CHANGE IN NET ASSETS	(227,435)	(9,880)	(237,315)
Net Assets - Beginning of Year	11,052,747	9,880	11,062,627
NET ASSETS - END OF YEAR	\$ 10,825,312	\$ -	\$ 10,825,312

See accompanying Notes to Financial Statements.

INTERNATIONAL SOCIETY OF ARTHROSCOPY, KNEE SURGERY AND ORTHOPAEDIC SPORTS MEDICINE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services			Management and General	Total
	Education	Research	Publication		
Awards	\$ -	\$ -	\$ 21,633	\$ -	\$ 21,633
Committees	172,487	53,734	150	-	226,371
Corporate and Member Development	63,066	-	-	-	63,066
Depreciation	-	-	-	3,410	3,410
Fees and Dues	-	-	-	31,642	31,642
Fellowships and Scholarships	-	30,490	-	-	30,490
Insurance	-	-	-	10,226	10,226
Editorial	-	-	146,527	-	146,527
Marketing	1,346	-	-	18,322	19,668
Meetings and Courses	419,875	-	-	-	419,875
Newsletter	-	-	51,102	-	51,102
Office Expenses	-	-	485	76,012	76,497
Outside Services	21,138	-	16,495	99,428	137,061
Staff	359,219	359,219	359,219	372,376	1,450,033
	<u>\$ 1,037,131</u>	<u>\$ 443,443</u>	<u>\$ 595,611</u>	<u>\$ 611,416</u>	<u>\$ 2,687,601</u>

See accompanying Notes to Financial Statements.

**INTERNATIONAL SOCIETY OF ARTHROSCOPY, KNEE SURGERY AND ORTHOPAEDIC SPORTS
MEDICINE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (237,315)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation Expense	3,410
Noncash Lease Expense	(2,915)
Unrealized and Realized Gains on Investments	(583,812)
Changes in Operating Assets and Liabilities:	
Accrued Interest Receivable	(2,333)
Pledges Receivable	3,250
Accounts Receivable	(5,769)
Prepaid Expenses	(63,459)
Accounts Payable	(134,818)
Accrued Vacation and Benefits	55,697
Deferred Revenue	833,783
Net Cash Used by Operating Activities	(134,281)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Investments	(1,266,811)
Proceeds from Sale of Investments	1,951,920
Dividends Reinvested	(25,149)
Net Cash Provided by Investing Activities	659,960

NET INCREASE IN CASH AND CASH EQUIVALENTS

525,679

Cash and Cash Equivalents - Beginning of Year

495,629

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 1,021,308

See accompanying Notes to Financial Statements.

**INTERNATIONAL SOCIETY OF ARTHROSCOPY, KNEE SURGERY AND ORTHOPAEDIC SPORTS
MEDICINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization

International Society of Arthroscopy, Knee Surgery and Orthopaedic Sports Medicine (the Society), was organized in 1995 as a nonprofit corporation in the state of Pennsylvania. The purposes of the Society are (i) to promote communication, research, development, and the dissemination of knowledge in the fields of arthroscopy, knee surgery, and orthopaedic sports medicine internationally; (ii) to develop and provide channels and facilities for continuing education and professional collaboration in these fields, including the publication and support of scientific journals and other educational materials; and (iii) to perform charitable, scientific, and educational functions related to the advancement of orthopaedic sports medicine and related disciplines. The principal offices of the Society are located in Danville, California.

Major programs are:

Annual Meeting – The ISAKOS Congress, held biennially, is the Society’s flagship international event, offering a comprehensive educational experience through lectures, live surgical demonstrations, and networking opportunities for orthopaedic professionals worldwide.

Courses and Regional Events – The Society hosts cadaver labs, instructional courses, and regional meetings that provide hands-on training and foster collaboration among members across different regions.

Membership Services – The Society supports its global membership through access to the Journal of ISAKOS, educational webinars, fellowships, scholarships, mentorship programs, and leadership development opportunities.

Publishing – The Society publishes and supports scientific literature, including the Journal of ISAKOS and other educational materials, and maintains partnerships with academic publishers to disseminate research and clinical advancements.

Other – The Society engages in strategic outreach, provides research grants, and supports charitable initiatives that promote education, innovation, and excellence in arthroscopy, knee surgery, and orthopaedic sports medicine.

Basis of Accounting

The Society prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**INTERNATIONAL SOCIETY OF ARTHROSCOPY, KNEE SURGERY AND ORTHOPAEDIC SPORTS
MEDICINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

The Society follows the recommendations of the Financial Accounting Standards Board (FASB). The FASB establishes standards for financial reporting by nonprofit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories according to externally imposed restrictions. A description of the two net asset categories is as follows:

Net Assets Without Donor Restrictions – Net assets are available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Expenses are reported as decreases in net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor-stipulation or by law. When a restriction expires (i.e., the donor stipulated purpose has been fulfilled or the stipulated time period has elapsed), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Use of Estimates

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

Cash and Cash Equivalents

The Society considers all highly liquid investments not held in brokerage accounts with an initial maturity of three months or less to be cash equivalents.

Investments

The Society records investments purchased at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return or loss is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, and investment fees.

**INTERNATIONAL SOCIETY OF ARTHROSCOPY, KNEE SURGERY AND ORTHOPAEDIC SPORTS
MEDICINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable

Unconditional pledges receivables that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. Management has determined, based on these estimates, that the fair value of unconditional pledges receivable expected to be collected in future years does not differ materially from the net realizable value. An estimate for uncollectible pledges receivable is determined by management based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Pledges receivable are written off when deemed uncollectible. At December 31, 2024, management has determined that no allowance for uncollectible pledges receivable is necessary.

Accounts Receivable and Allowance for Credit Losses

The Society carries accounts receivable at the face amounts less an allowance for estimated credit losses. As of December 31, 2023, and under previously acceptable GAAP, the Society recorded an allowance for credit losses of \$-0-. Going forward under ASC 326, the Society estimates its reserve for credit losses using relevant available information from internal and external sources relating to past events, current conditions, and reasonable and supportable forecasts. As of December 31, 2024 the estimated allowance for credit losses was determined to be \$-0-.

Accounts receivable balances at December 31, 2024 and December 31, 2023 were \$27,872 and \$22,103, respectively.

Furniture and Equipment

Furniture and equipment are stated at cost. Donated assets are recorded at their estimated fair market value at the date of donation. Depreciation is provided over the estimated useful lives of respective assets, primarily three years, using the straight-line method of depreciation. The Society adopted a capitalization policy of \$5,000.

**INTERNATIONAL SOCIETY OF ARTHROSCOPY, KNEE SURGERY AND ORTHOPAEDIC SPORTS
MEDICINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Society leases office space in Danville, California. The Society determines if an arrangement is a lease at inception. Operating leases are included in operating ROU assets, and lease liabilities - operating on the statement of financial position.

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

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

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

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

Deferred Revenue

Dues and other fees received in the current year that pertain to subsequent years are recorded as deferred revenue and are recognized in income in the year that the membership services are provided. Registration fees received for meetings to be held in the subsequent year are recorded as deferred revenue and are recognized in income the year the meetings are held. Deferred revenue balances as of December 31, 2024 and 2023 were \$1,546,486 and \$712,703, respectively.

**INTERNATIONAL SOCIETY OF ARTHROSCOPY, KNEE SURGERY AND ORTHOPAEDIC SPORTS
MEDICINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Membership Dues

The Society offers memberships for a one-year term based upon each member's respective membership term throughout the year. The Society satisfies its performance obligation and recognizes revenue evenly over the membership term as its members simultaneously receive and consume the benefits over that timeframe.

Publication Royalties

Royalties are received from the publisher of the *Journal of ISAKOS* ("JISAKOS") which is provided to members without additional charge as part of their membership benefits. Royalties are also received from a publisher of ISAKOS Books and Publications, for which the content is copyrighted by the Society. Additional copies are provided to members at a charge. Royalty revenue is recognized over time in conjunction with the monthly performance obligation.

Program Income

Program income is comprised of annual meetings, educational events, and other activities. Payment for program events is usually due with 30 days of performance or invoicing. The Society recognizes revenue on the various programs at the point in time when the events take place.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting activities. Expenses related to more than one function are allocated to programs and supporting services based on the ratio of each activity's direct cost to total direct costs for all activities. These are called shared costs and include delivery and shipping, occupancy, supplies and postage, telephone, and taxes.

Advertising

The Society expenses advertising costs as incurred. For the year ended December 31, 2024, advertising expense was \$-0-.

Income Taxes

Under applicable laws and regulations, the Society has been determined to be exempt from federal and California income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the related California Revenue and Taxation Code. Accordingly, no provision for income taxes has been recorded in these financial statements.

**INTERNATIONAL SOCIETY OF ARTHROSCOPY, KNEE SURGERY AND ORTHOPAEDIC SPORTS
MEDICINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uncertain Tax Positions

FASB *Accounting Standards Codification* (ASC Topic 740), *Accounting for Uncertainty in Income Taxes*, prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For the year ended December 31, 2024, the Society has no uncertain tax positions to be accounted for in the financial statements under these rules. The Society recognizes interest and penalties, if any, related to unrecognized tax benefits in management and general expenses.

Concentrations of Credit Risk

Credit Risk

The Society maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Society has not experienced any losses in such accounts. The Society believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments held by a broker in customer accounts are protected against physical loss by the Securities Investor Protection Corporation (SIPC). All investments held by the Society at December 31, 2024, are highly liquid.

Pledges Receivable

The Society had receivables from three customers that represents approximately 29% of total pledges receivables at December 31, 2024.

Accounts Receivable

The Society had receivables from two customer that represents 100% of total accounts receivables at December 31, 2024.

Revenue

The Society had revenue from one customer that represents approximately 10% of total revenue during the year ended December 31, 2024.

Subsequent Events

Management has evaluated subsequent events through October 31, 2025, the date on which the financial statements were available to be issued.

**INTERNATIONAL SOCIETY OF ARTHROSCOPY, KNEE SURGERY AND ORTHOPAEDIC SPORTS
MEDICINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 LIQUIDITY AND AVAILABILTY

The Society strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures.

The following table reflects the Society's financial assets as of December 31, 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position because of contractual restrictions or internal board designations. Amounts not available to meet general expenditures within one year may also include net assets with donor restrictions.

Cash and Cash Equivalents	\$ 1,021,308
Pledges Receivable, Current Portion	7,750
Accounts Receivable	27,872
Investments	<u>7,881,088</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 8,938,018</u>

NOTE 3 FAIR VALUE MEASUREMENT OF INVESTMENTS

The Fair Value Measurements Topic of FASB Codification establishes a framework for measuring fair value under accounting principles generally accepted in the United States of America. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the Fair Value Measurements Topic are described below:

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**INTERNATIONAL SOCIETY OF ARTHROSCOPY, KNEE SURGERY AND ORTHOPAEDIC SPORTS
MEDICINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 FAIR VALUE MEASUREMENT OF INVESTMENTS (CONTINUED)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024.

The Society uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have a readily determinable fair value. Investments that are measured at fair value using NAV per share as a practicable expedient are not classified in the fair value hierarchy.

The methods described above may produce a fair value calculation that may not be as indicative of net realizable value or reflective of future fair values. Furthermore, while the Society believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents assets measured at fair value on a recurring basis, at December 31, 2024:

	Fair Value	Level 1	Level 2	NAV
Investments:				
Mutual Funds	\$ 3,844,574	\$ 3,844,574	\$ -	\$ -
Equities	2,350,104	2,350,104	-	-
Corporate Bonds	3,660,523	-	3,660,523	-
Alternative Investments	1,682,657	-	-	1,682,657
Total Investments	<u>\$ 11,537,858</u>	<u>\$ 6,194,678</u>	<u>\$ 3,660,523</u>	<u>\$ 1,682,657</u>

The cost and fair value of investments at December 31, 2024 are as follows:

	Cost	Fair Value	Unrealized Gain (Loss)
Investments:			
Mutual Funds	\$ 3,669,493	\$ 3,844,574	\$ 175,081
Equities	1,839,544	2,350,104	510,560
Corporate Bonds	3,967,461	3,660,523	(306,938)
Alternative Investments	1,095,934	1,682,657	586,723
Total Investments	<u>\$ 10,572,432</u>	<u>\$ 11,537,858</u>	<u>\$ 965,426</u>

**INTERNATIONAL SOCIETY OF ARTHROSCOPY, KNEE SURGERY AND ORTHOPAEDIC SPORTS
MEDICINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 ALTERNATIVE INVESTMENTS

Hawkes Bay Investors (Cayman), Ltd. and Subsidiary - Series Type F (H)

Hawkes Bay Investors (Cayman), Ltd. and Subsidiary - Series Type F (H) (Hawkes Bay) focuses on offering shares in limited partnerships based in the Cayman Islands. Funds can be redeemed on a quarterly basis.

AG Mortgage Value Participation Fund Ltd. - Tranche A

AG Mortgage Value Participation Fund Ltd. - Tranche A (AG Mortgage) focuses on investments in mortgage related assets in the Cayman Islands. Funds can be redeemed on a quarterly basis.

Partners Group Private Equity (Master Fund), LLC. - Class A

Partners Group Private Equity (Master Fund), LLC. - Class A (Partners Group) focuses on investments in private debt and infrastructure. Funds can be redeemed on a quarterly basis.

The cost and fair value of alternate investments at December 31, 2024 are as follows:

	Cost	Fair Value	Unrealized Gain (Loss)
Hawkes Bay	\$ 265,197	\$ 330,484	\$ 65,287
AG Mortgage	260,000	455,173	195,173
Partners Group	570,737	897,000	326,263
Total Alternative Investments	<u>\$ 1,095,934</u>	<u>\$ 1,682,657</u>	<u>\$ 586,723</u>

The following table summarizes the fair value measurement of the Society's investments in certain entities that calculate NAV per share.

	Number of Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
Hawkes Bay	266	\$ 330,484	None	Quarterly	45 Days
AG Mortgage	214,785	\$ 455,173	None	Quarterly	95 Days
Partners Group	442,704	\$ 897,000	None	Quarterly	90 Days

NOTE 5 NET INVESTMENT GAIN AND LOSS

The composition of net investment gain and loss for the year ended December 31, 2024 is as follows:

Realized and Unrealized Gain on Sale of Investments	\$ 583,812
Dividends and Interest	365,129
Less: Investment Fees	(67,382)
Net Investment Gain	<u>\$ 881,559</u>

**INTERNATIONAL SOCIETY OF ARTHROSCOPY, KNEE SURGERY AND ORTHOPAEDIC SPORTS
MEDICINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 FURNITURE AND EQUIPMENT

Furniture and equipment consist of the following at December 31, 2024:

Furniture	\$ 11,293
Computers	7,352
Total Furniture and Equipment	18,645
Less: Accumulated Depreciation	(18,248)
Total Furniture and Equipment, Net	\$ 397

Depreciation expense was \$3,410 for the year ended December 31, 2024.

NOTE 7 LEASES

The Society leases office space under an operating lease in Danville, California for the purposes of general operations that expires April 31, 2026. The Society has the option to renew the lease upon the expiration date. The Society plans on maintaining the lease for the foreseeable future.

The following tables provide quantitative information concerning the Society's leases for the year ended December 31, 2024:

Lease Cost:	
Operating Lease Cost	\$ 36,561
Other Information:	
Operating Cash Flows from Operating Leases	\$ 39,476
Weighted-Average Remaining Lease Term - Operating Leases	1.3 Years
Weighted-Average Discount Rate - Operating Leases	1.03%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2024, is as follows:

Year Ending December 31,	Amount
2025	\$ 41,898
2026	16,003
Undiscounted Cash Flows	57,901
Less: Imputed Interest	(361)
Total Present Value	\$ 57,540
Short-Term Lease Liability	\$ 41,555
Long-Term Lease Liability	15,985
	\$ 57,540

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NOTE 8 NET ASSETS

The Society had \$9,880 of purpose restricted net assets related to the John J. Joyce Fund. The restriction were release in during the year, leaving a balance of \$-0- in restricted net assets for the year ended December 31, 2024.

NOTE 9 RETIREMENT PLAN

The Society has a 401(k) retirement plan. It provides a 5% non-elective Safe Harbor contribution based on each eligible employee's gross annual compensation. These contributions are immediately 100% vested, as required under the Safe Harbor provisions.. During the year December 31, 2024, the Society contributed \$50,166.

NOTE 10 RELATED PARTY TRANSACTIONS

The Society occasionally receives pledges from members of management and the board of directors for the purposes of funding programs.

In the year ended December 31, 2024, the Society has related party contributions \$5,000 in revenue included in donation and grant income on the statement of activities and \$4,000 outstanding in pledge receivables included in pledges receivable on the statement of financial position.



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