

2021

(ISC)² Annual Report

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Our Journey Continues

Dear (ISC)² Members,

Together, in 2021, we embarked on a journey of change to amplify the certifications at the core of (ISC)² and chart a strategic course for the future of our association and the cybersecurity profession.

Working with our Board of Directors, and with input from members like you, we established a forward-looking strategic framework and set bold goals for the future. Highlights include shifting the workforce gap conversation to focus on taking action to shrink the gap; embracing diversity, equity and inclusion to support the profession's growth; and developing a global advocacy strategy to ensure our members' concerns are represented on a global stage.

To capture the magnitude of what we accomplished and to demonstrate how our actions are focused both on short-term results and the organization's long-term sustainability, we have adopted a more robust and comprehensive reporting approach to our summary of 2021 activities. It is our privilege to present to members the (ISC)² 2021 Annual Report on behalf of the (ISC)² Board of Directors, leadership team and staff.

2021 was a year of significant progress, accomplishment and change that has built the foundation for our future success. Across all Board-approved key performance metrics for the organization, we reached or surpassed all our goals. (ISC)² is in a sound financial position. Prudent spending practices have created healthy reserves that provide us the opportunity to reinvest in our membership and deliver on the (ISC)² mission.

We are extremely proud of all our accomplishments, but we are even more proud of the resilience, hard work and dedication of our team. They have delivered tremendous results on your behalf and reimagined how (ISC)² might best deliver on its purpose to inspire a safe and secure cyber world for years to come.

We are confident that you will join our Board, leadership team and staff in our excitement as we evolve our association. Some steps in the journey, such as strengthening our certification and professional development portfolios, and evolving the member experience, will be familiar. Other endeavors, such as our collective decision to be a voice for diversity, equity and inclusion within the profession, and becoming a more vocal, visible advocate for policies, standards and practices that benefit cybersecurity professionals, will propel us into new territory.

Our efforts to operate as a truly global association will bring (ISC)² closer to existing and aspiring cybersecurity professionals around the world. We will ensure that our powerful mission and voice resonate with people all over the globe while respecting and honoring our legacy.

For more than 30 years, (ISC)² has been a leader in the cybersecurity profession. The accomplishments you will read about in this report illustrate how our strategic plan will enable us to build on our legacy of success. The progress we already have made while enhancing our core operations is a testament to the passion and dedication of the entire (ISC)² team. On their behalf, we thank you for your commitment and the trust you place in all of us as we work together to inspire a safe and secure cyber world.

Zachary Tudor, CISSP

(ISC)² Board of Directors Chairperson

Clar Rosso

(ISC)² CEO

Association Governance

(ISC)² is an international nonprofit membership association focused on inspiring a safe and secure cyber world. Best known for the acclaimed Certified Information Systems Security Professional (CISSP®) certification, (ISC)² offers a portfolio of credentials that are part of a holistic, pragmatic approach to security. Our membership, more than 168,000 strong, is made up of certified cyber, information, software and infrastructure security professionals who are making a difference and helping to advance the industry.

(ISC)² is a United States 501(c)(6) nonprofit professional corporation. It was established to develop a program and common body of knowledge for the certification of cybersecurity professionals. (ISC)² programs have since expanded to support members' professional development and advocating for the continued growth and health of the profession. (ISC)² operations are led by the (ISC)² CEO and senior leadership team under the authority and guidance of our Board of Directors, who establish association strategies.

Elected by (ISC)² members, the Board of Directors is comprised of cybersecurity professionals from around the world representing academia, private organizations and government agencies. Our all-volunteer Board of certified (ISC)² members provides governance and oversight for the organization, establishes requirements for and grants certifications to qualifying candidates, and enforces adherence to the (ISC)² Code of Ethics

2021 (ISC)² Board of Directors

Chairperson: Zachary Tudor, CISSP (U.S.)

Vice Chairperson: Lori Ross O'Neil, CISSP (U.S.)

Secretary: Yiannis Pavlosoglou, CISSP (Greece)

Treasurer: David Melnick, CISSP (U.S.)

Gabriel Bergel, CISSP (Chile)

Biljana Cerin, CISSP (Croatia)

Aloysius Cheang, CISSP (United Arab Emirates)

Arthur Friedman, CISSP (U.S.)

Eiji Kuwana, CISSP (Japan)

SC Leung, CISSP, CISA, CBCP (Hong Kong)

Samara Moore, CISSP (U.S.)

Jill Slay, CISSP (Australia)

Lisa Young, CISSP (U.S.)

Financially Strong for Future Investment

(ISC)² is in a sound financial position. Strong revenue and prudent spending practices have created healthy reserves that provide us the opportunity to reinvest in our membership and deliver on our mission.

(ISC)² 2021 Financial Summary

	FY2019	FY2020	FY2021
Revenue	\$62,428,646	\$57,454,955	\$72,909,137
Net Increase in Net Assets	\$2,946,300	\$9,202,990	\$14,572,389

Our audited financial statements are provided on page [27](#).

AMF at Work

Your Annual Maintenance Fees (AMFs) enable (ISC)² to support the costs of maintaining the (ISC)² certifications and related support systems, a major component of our core value to you. Certified members and Associates of (ISC)² also access a wide array of valuable, rewarding professional development opportunities and member benefits that deliver a robust return on this annual investment. Your AMF ensure certifications like the CISSP maintain their premier reputation, while you continue to learn and grow throughout your career.

New Leadership and Strategies Position (ISC)² for Long-Term Success

Achieving our strategic priorities and delivering on our purpose requires more than developing plans; it requires us to look at organizational readiness around people, processes and technology.

As we developed our new strategic framework in 2021 and moved forward with evolving our association, it became clear that success required us to take a critical look at our structure and skillsets. What followed was a realignment of teams and recruitment for key positions throughout the organization. The latter was greatly enabled by our commitment to a fully remote global workforce that prioritizes hiring the best individual over the best individual in a certain geography.



At (ISC)², people are our most important asset. We are committed to a courageous culture of respect, innovation and accountability that allows everyone to flourish.

While leadership and structure matter, every member of the team is core to our success. With this in mind, (ISC)² embarked on a diversity, equity and inclusion (DEI) initiative in 2021 that internally focused on pay equity, recruitment and advancement practices. Working with our newly formed DEI Champions, who represent team members at all levels of the organization, we accomplished the following in 2021:

- Developed internal DEI goals, identified best practices and launched a multi-year training program
- Documented advancement practices and instituted a Promotion Equity Task Force to review and approve all promotion recommendations
- Reviewed recruitment practices and cast a wider net when recruiting, including listing open positions on DiversityJobs.com
- Reviewed pay practices and conducted an analysis to level positions and create pay equity

Like many organizations, (ISC)² is contending with a very competitive job market. We are confident the steps described above will help nurture a talented, stable and globally diverse workforce to support our members worldwide.



New Global and Asia-Pacific Headquarters

We have officially designated our global headquarters as Washington D.C. Many associations like our own have their headquarters or a large presence near or within the U.S. capital. This move strengthens our ability to influence and inform policy, as well as engage the vibrant cybersecurity community in the region.

Additionally, the Board voted to move the Asia-Pacific regional headquarters to Singapore. We have established strong ties to the Singapore cybersecurity governing authorities, and the country is an ideal base from which to operate and support the entire region.

We will formally establish the Singapore location in 2022.



Aligning Strategy for Success

Commitment to our core — growing the ranks of certified cybersecurity professionals and supporting existing members — is stronger than ever. Additionally, during this time when cybersecurity is the topic of dinner table and boardroom conversations across the globe, (ISC)² has a responsibility as a global association to lead and influence real change and progress in the industry and for the professionals who work within it. The desire and passion to identify those opportunities for future success was the driving force behind our new strategic plan.

In Q4 2020, exciting “What if?” conversations quickly evolved into strategic and operational frameworks that support the following four strategic priorities: Amplify the Core; Promote Global Competence; Advocate for Members and the Profession; and Enhance the Experience, which encompass a wide array of initiatives that will strengthen our association’s global presence and build on our unmatched legacy of excellence.

Each pillar of our strategy represents a long-term commitment to our future. This report details many of our 2021 accomplishments and demonstrates our future readiness to deliver on our ambitions.



Amplify the Core

Implement sustainable business model that amplifies the core and ensures (ISC)² expertise meets global marketplace demands



Promote Global Competence

Deliver comprehensive and innovative products, services and experiences to help stakeholders stay relevant and engage in lifelong learning



Advocate for members and the profession

Advance (ISC)² as the leading global cyber and information security professional association



Enhance the Experience

Enhance the (ISC)² experience for members, the greater cybersecurity community and stakeholders

Amplify the Core

Implement sustainable model that amplifies the core and ensures (ISC)² expertise meets global marketplace demands.

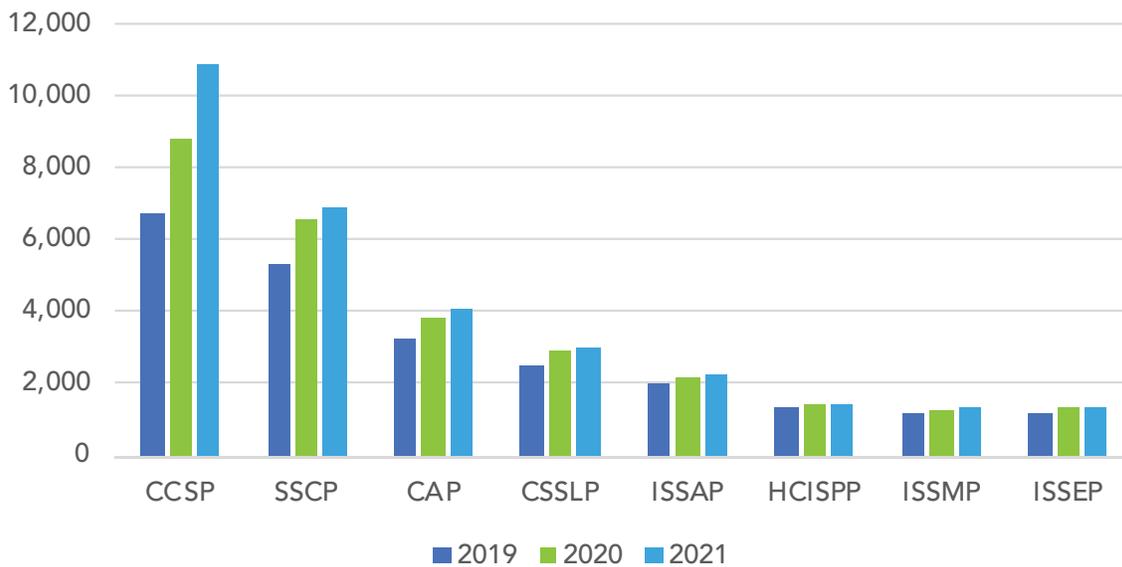
Our strategic priority of Amplify the Core ensures we continue to excel at our primary operations and business functions, while we selectively invest time and resources to pursue opportunities to grow. Our core encompasses the bedrock of our value to the market, such as maintaining the certification portfolio; expanding our education and professional development offerings; providing value to members; and growing membership.

Certifications and Exams

2021 was a record-breaking year with 35,611 exams delivered, up 25% from 2020. Growth in exams delivered is a strong indicator of health for the organization and demand for the credentials our members have earned. Following are the certification trends for the past 3 years.



All Certification Growth (Non-CISSP) Active Certifications (2019-2021)



CCSP has accelerated over the past two years, surpassing 10,000-certification holders and meeting an important market need for holistic cloud security expertise.

Critical to upholding the value of our certifications is delivering on our regular, triennial exam refresh cycles. In 2021, refreshed exams and education were delivered for CISSP, SSCP and CAP. Additionally, we introduced several “firsts” for the organization to deliver on our strategic priority to make our learning and exams more accessible, as well as establishing new pathways to certification for those just starting their cybersecurity careers.

Recognizing a major barrier to certification globally is the time and resources many candidates must invest to travel to a test center, as well as ongoing health and safety concerns from the pandemic, (ISC)² conducted an online proctored exam pilot in early 2021. The pilot assessed the feasibility of online proctoring for our nine certification exams for candidates physically present within the United States. Exam integrity is always our primary concern, and extraordinary care was taken to evaluate results. Due to the scope and degree of irregular exam results, we concluded additional exploration of online exam conditions was necessary. We remain committed to making our exams as accessible as possible, and a second online proctoring pilot, that includes additional security measures, will be conducted in 2022.

Strategic analysis of our suite of certifications resulted in the Board approving creation of an entry-level cybersecurity certification pilot program. This breakthrough certification, that is based on employer and cybersecurity professionals’ feedback, is designed for individuals with little to no technology or cybersecurity experience. It will directly contribute to addressing the global cybersecurity workforce gap.

Other key certification developments include:

- The CCSP surpassed 10,000 certification holders in 2021, ending the year with 10,898 certifications. It also is the latest addition to the DoD 8570 Approved Baseline Certifications.
- (ISC)² became the first cybersecurity certification body in the United States to meet the requirements of AC474, IAS Accreditation Criteria for Bodies Operating Certification of Persons, and complies with ISO/IEC Standard 17024:2012 for its entire nine-certification portfolio
- (ISC)² certifications are also recognized by the American National Standards Institute (ANSI), the International Accreditation Forum (IAF), the American Council on Education (ACE) and the Australian Computer Society (ACS)



CISSP was named Best Professional Certification Program by SC Awards.

Coinciding with our exam updates, our Education team released revised courseware, books and other materials to help candidates review relevant domains prior to taking their exams.

CISSP courseware also gained recognition from the U.K. National Cyber Security Centre (NCSC). The NCSC Certified Training scheme provides a benchmark for cybersecurity education by assuring the quality of both content and its delivery.

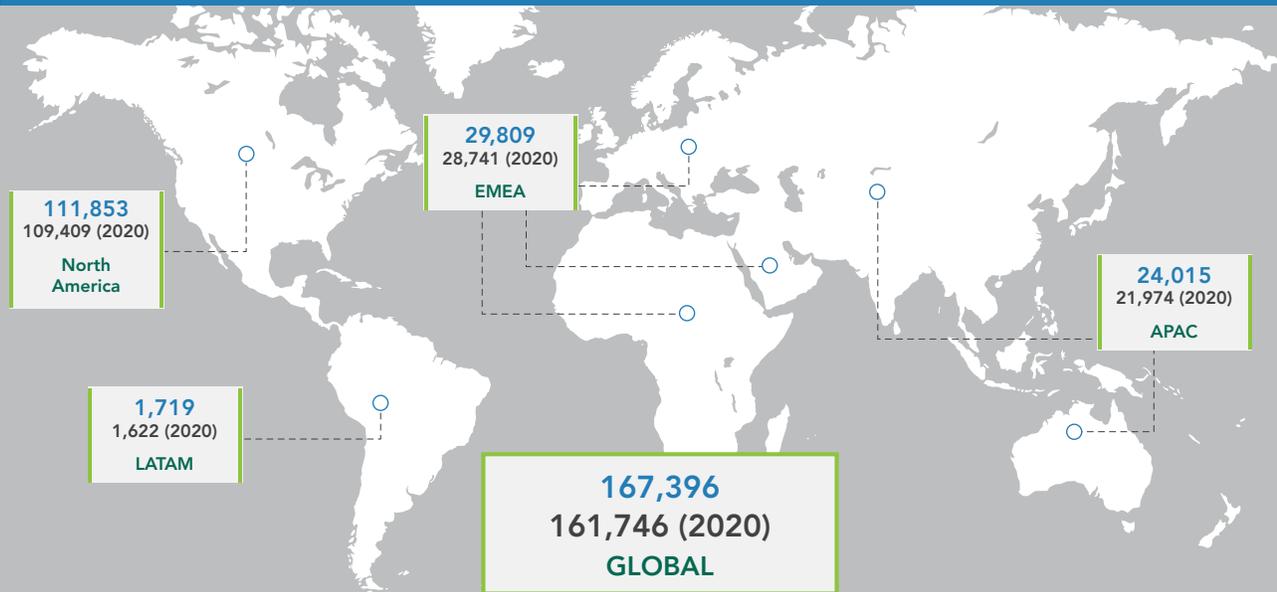


(ISC)² won Best Professional Training or Certification Program award at the 2021 SC Awards Europe 2021.

Growing Global Membership

We continued building the ranks of certified cybersecurity professionals and adding new members around the world. We ended the year with 167,396 members and associates.

Members and Associates by Region



Strengthening Communications

In 2021, we established a member communications team and introduced more ways for members to engage leadership and stay current on the latest association news, including:

- Coordinating new quarterly webinar series, [Inside \(ISC\)²](#), and CEO and Board Chair updates to provide more transparency into association developments, achievements and announcements. These webinars were viewed more than 14,000 times.
- Creating a new [Member Notice Page](#) accessible via an unobtrusive smart pop-up that appears when a member has not visited their dashboard in the last 30 days, exposing them to key messages, news, developments, major events, resources and more. This page was viewed 62,000 times since it was published in September 2021.
- Implementing “new member” onboarding to regularly connect with first-year members and foster a more informed and engaged membership

It is our goal to help as many aspiring professionals as we can build a rewarding career in cybersecurity. This encompasses a wide array of awareness building across our evolving portfolio of certifications, professional development courses, events and more. Examples of how we helped build awareness with future members, include:

- We introduced our [Qualification Pathfinder](#), which enables candidates to quickly navigate our certification portfolio to identify the certification that is right for them based on their career goals. Since its introduction in August 2021, the tool generated nearly 25,000 views and more than 200,000 interactions.
- We published more than 220 blogs and six issues of *InfoSecurity Professional* magazine exploring a wide range of topics relevant to the cybersecurity workforce.
- On the public relations front, we deepened our reputation with both technology and cybersecurity trade press, while elevating our feature coverage recognition in top-tier business press via executive interviews and research. We were covered by the *Wall Street Journal* six times during the year, and received multiple stories each from *Forbes*, *CNBC*, *The Washington Post*, *TechCrunch*, *Newsweek*, and *U.S. News and World Report*.



71.6K +7%



179.8K +25%



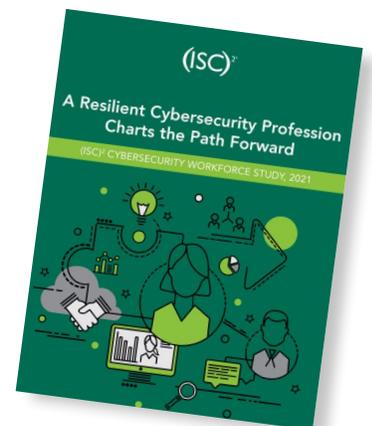
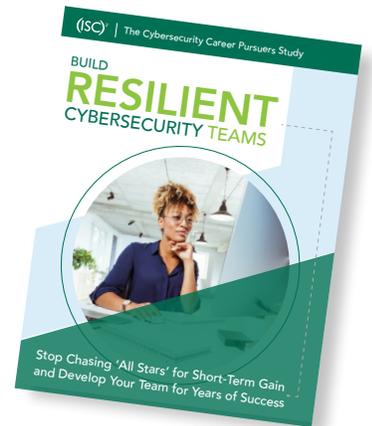
22.4K +2%

Research Drives New Conversations

Our research program continued to dig deeper into the challenges and opportunities facing the cybersecurity workforce, revealing new insights that helped shape our strategic plan. Research highlights from 2021, include:

- [The Cybersecurity Career Pursuers Study](#) – This research set out to explore the critical attributes and skills necessary for success in the profession. We spoke to individuals interested in a cybersecurity career to learn what drives them and what they expect from their first security jobs, while also asking experienced professionals about what motivates them, how they learned on the job and what they view as the most important qualities and attributes for success in the field. Findings revealed that organizations need to stop chasing elusive and rare cybersecurity “All Stars” and start investing in their teams for the long-term starting with entry- and junior-level roles.
- [The 2021 Cybersecurity Workforce Study](#) – We published our annual analysis of workforce gap, salary and satisfaction benchmarks, and other issues facing cybersecurity professionals. Findings revealed new insights, including the real-world impact and avoidable consequences of the workforce gap, the effects of the lingering pandemic, what specialized skills and roles professionals say their teams lack, hiring strategies, how teams are overcoming their staffing challenges and more.
- [Ransomware in the C-Suite](#) – This study took a different approach to the ransomware epidemic by providing insights for cybersecurity professionals into the minds of C-suite executives and how they perceive their organizations’ readiness for ransomware attacks. This data underscored the need for clearer and more frequent communications between cybersecurity teams and executives and offered best practices security leaders should implement to improve those interactions.

Our research is a cornerstone of our thought leadership. It is shared with members, media and the broader community through public relations channels, social media, our online Community, executive presentations, blog, webinars, speaking engagements, website and more. Coverage of our research has prompted conversations with policy makers and a wide variety of organizations further strengthening the stature of (ISC)² and our members as trusted experts.



Promote Global Competence

Deliver comprehensive and innovative products, services, and experiences to help stakeholders stay relevant and engaged in lifelong learning.

Professional Development

In 2021, we consolidated all our professional development activities under a single umbrella and embarked on developing a unified professional development strategy that aligns with certification offerings.

Notable in 2021:

- Pivoting to successfully deliver an all-virtual Security Congress with 3,800 attendees, more than 130 sessions, well-regarded keynote speakers, and a 91% event satisfaction rating
- Implementing a robust new platform for delivering online events
- 40% more webinars than in 2020 with a 67% increase in views to almost 850,000
- 564,000 CPE credits awarded via webinars, a 23% increase over 2020
- 13 new on-demand courses and 16 new course translations (8 Japanese and 7 Spanish)
- Embarking on SSCP for translation and growth in the Japanese market

Additionally, the newly formed team focused on developing strategies to enhance future support to members, highlights of which include:

- Expanding global events footprint — in-person and virtual
- Developing an accessibility strategy to translate, adapt and localize education, marketing and communications materials for non-English speakers in prioritized markets
- Identifying career journeys for professionals at all levels to create more relevant and impactful educational opportunities
- Integrating the certification and professional development experience for career-long engagement with members
- Establishing best practices for continuous improvement to online learning environments

Course
Engagement
www.isc2.org/development

113,531
+14%
Course
Enrollments

57,980
+8%
Course
Completions

177,909
+5.4%
CPE Credits
Awarded

The Center

The Center for Cyber Safety and Education celebrated its 10th anniversary in 2021. Most of the past decade has focused on teaching students and community members about a wide array of cyber safety issues, as well as providing an avenue for members to volunteer and give back to their communities in ways that align with their expertise and passion.

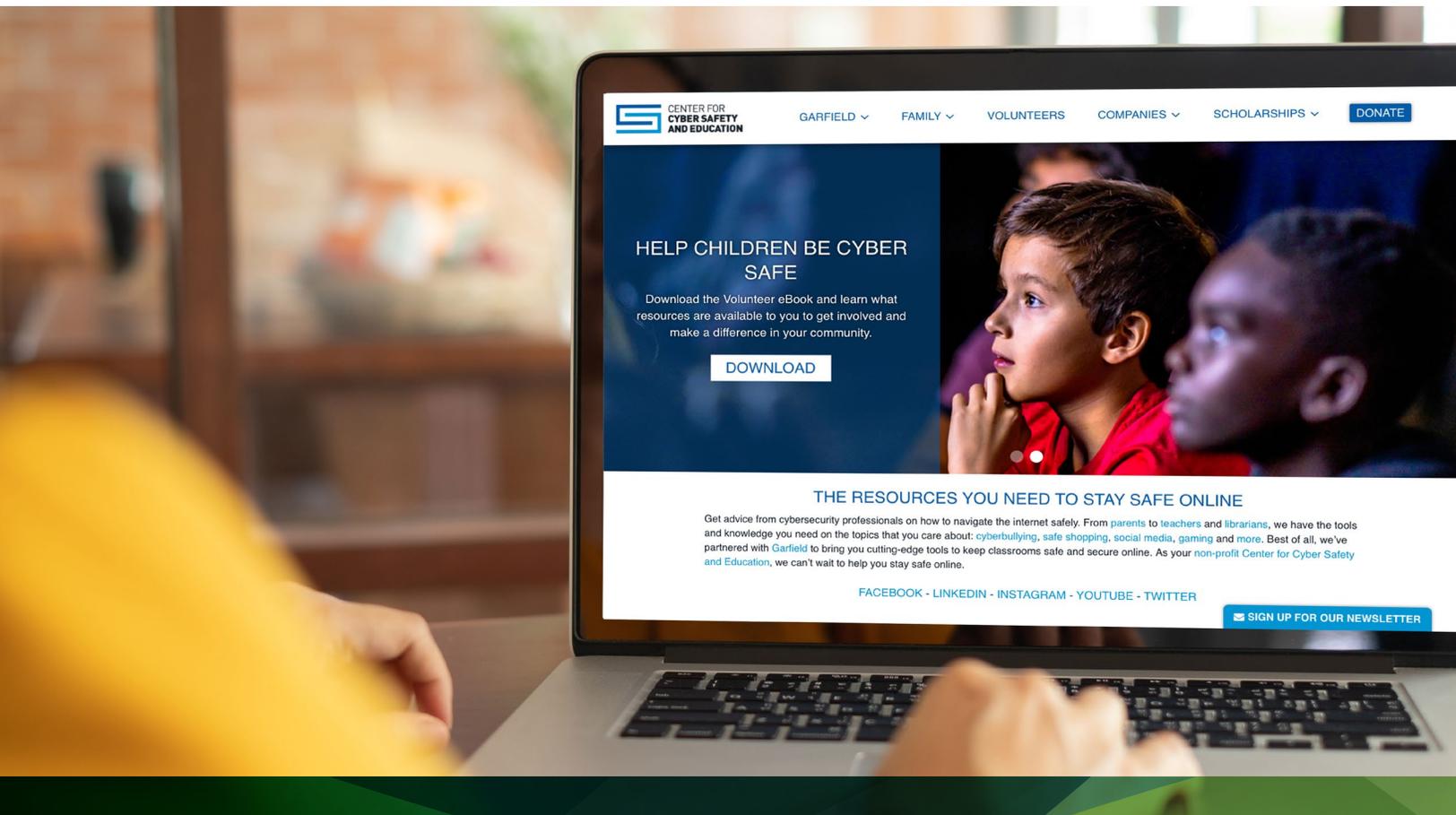
Since its inception, the Center has awarded more than \$1 million in cybersecurity scholarships, including to deserving students in under-represented groups like women and minorities.

In 2021, the Center:

- Delivered more than 105,000 cyber safety lessons
- Awarded \$170,000 in college scholarships and financial aid
- Awarded 60 scholarships across the globe
- Translated educational materials into 25 languages

\$1+ Million
Awarded in Cybersecurity
Scholarships

The Center Trustees and (ISC)² Board of Directors collaborated to build on the Center's legacy of success and better align its efforts with the broadening vision of (ISC)². Areas of future focus include solving the workforce gap, encouraging more entrants into the field, partnering with like-minded organizations to further cybersecurity instruction in secondary and higher education, and continuing to build awareness for the issues that matter most to professionals and our members.



Advocate for Members and the Profession

Advance (ISC)² as the leading global cyber and information security professional association.

We are reinventing advocacy at (ISC)². As the cybersecurity profession matures, new threats emerge, security awareness grows and organizations struggle to respond, governments and private sectors worldwide must react. As a leader in the industry, we have a responsibility to inform and influence those making policy decisions and setting standards to foster the most advantageous environment possible for cybersecurity professionals. In 2021, we recruited new leadership to focus on this task and accelerate our engagement with key government agencies and ministries in the U.S., U.K., E.U., Singapore, Australia and elsewhere. Accomplishments include:

- New and stronger connections with the NIST/NICE Committees, U.K. Cyber Security Council, National Science Foundation, and the Singapore CSA. We increased engagement with these organizations and are strengthening our position as trusted partners contributing to their broad and impactful agendas. For example, we achieved Founding Member status with the U.K. Cyber Security Council for all our contributions to date to this industry-wide consortium, as well as gaining Full Member status which enables us to influence many Council activities.
- Leadership presentations to the U.S. Department of Energy and the U.K. National Cyber Security Centre, as well as to governing bodies in India and Australia
- Promoted (ISC)² research via presentations on cybersecurity skills, cybersecurity profession and diversity at SC Media Congress, Middle East and North Africa (MENA) Security Conference, (ISC)² Security Congress, International Federation for International Processing (IFIP) 60th Anniversary Conference and Security Awareness Special Interest Group (SASIG)
- Achieved membership within the European Cyber Security Organisation (ECSO) to begin (ISC)² contribution to the development of the European cybersecurity ecosystem
- Established a joint project with ISS-NUS, an OTP in Singapore, to have our certification education included in the Singapore government's Digital Academy to upskill and build competency within the public sector workforce

These and future efforts will ensure that (ISC)² qualifications are viewed as the highest standard and validation of cybersecurity skills globally. We will continue to enhance the stature and position of our association and its members as vital partners in our common cause of a more secure world. More of this work can be found on our website [recognition](#) page, where we feature our alliances with governments, industry organizations and educational institutions, as well as awards, endorsements, accreditations and other achievements.



Diversity, Equity and Inclusion

DEI within cybersecurity is a major issue to address given the underrepresentation of women and minorities, and the monolithic workforce gap that will only grow as economies around the world recover from the pandemic.

Our first year of focus on DEI included the following milestones and achievements:

- DEI Task Force – We established our inaugural DEI Task Force comprised of passionate DEI champions from around the world. The Task Force’s charter is to advance meaningful progress toward greater diversity, equity and inclusion in the cybersecurity profession by providing diverse input, ideas and expertise that informs and helps shape a long-term DEI strategy.
- DEI Resource Center – In May 2021, we launched a DEI [online resource center](#). It hosts a broad range of informative documents, webinars and research that provides a toolkit for anyone who wants to audit, build and measure a DEI initiative in their organization, or simply wants to learn more about these issues.
- DEI Focus Group Research and Paper – Some members of our Task Force and others volunteered their time to participate in our in-depth focus groups to help us learn more about the personal experiences of diverse individuals working in the cybersecurity field. The resulting study entitled [In Their Own Words: Women and People of Color Detail Experiences Working in Cybersecurity](#) outlines eight recommendations for improving DEI in cybersecurity teams, from implementing purposeful inclusion to documenting clear advancement practices.

- DEI Strategic Plan – Our findings with the Task Force and our research culminated in the publication of the DEI [Strategic Plan](#). It affirms our ongoing commitment to this one main goal—to redefine the image of the cybersecurity professional and the profession to accurately reflect and value the diversity of the world it protects.
- InclusionREADY – Security Congress 2021 was the main stage for introducing our DEI initiatives to members. Our InclusionREADY program within Congress featured a DEI-focused keynote presentation and five breakout sessions, including a panel discussion on our DEI research and recommendations.
- DEI Program Leadership – Just before the end of 2021, we appointed an experienced leader to head our DEI initiatives and ensure we continue to maintain our focus and build momentum.

Doing Our Part for Security Education

For Cybersecurity Awareness Month, we created an online [resource center](#) with helpful assets to educate and inform the public about the latest security threats and best practices.

Coinciding with increased awareness and heightened threat levels, (ISC)² dedicated a week to educating the community about ransomware via our blog, press releases and social media with the hashtag #Ransomwareweek. We also used this as an opportunity to promote our popular PDI course *Ransomware: Identify, Protect, Recover*, which was available free to the public in July. Nearly 8,000 users took advantage of the offer to learn about ransomware.

Finally, advocacy will comprise all our efforts to build broader awareness for many of the issues and challenges facing the workforce, threats against our economies, national security and our own personal safety and privacy. The Center for Cyber Safety and Education, our team of advocates, volunteers and executive thought leaders will amplify the collective voice of our association for positive change.

Enhance the Experience

Enhance the (ISC)² experience for members, the greater cybersecurity community and stakeholders.

While we continue to exceed our member satisfaction targets and grow the exam candidate pool, we have many opportunities to improve the experience of engaging with (ISC)² online, over the phone and in-person. Throughout 2021, we took steps to build the foundation for future experience enhancements, while also ensuring we understood where we stand with members, what they value most and where we need to invest going forward. Key initiatives toward accomplishing these tasks included:

- Member Satisfaction Survey – To ensure we had an accurate pulse on our members' thoughts and needs, our member satisfaction survey measured key indicators like satisfaction, likelihood to recommend and likelihood to recertify; effectiveness of (ISC)² communications; awareness, usage, and value of member benefits; and more. 5,047 members (3% of our total members with a distribution across all regions representative of our member base) participated in the survey.

Membership Satisfaction Key Findings

90%
are satisfied with the value of their (ISC)² certifications



87%
are satisfied with (ISC)² as a membership association



90%
are likely to recommend (ISC)² to a colleague



92%
are likely to complete their (ISC)² recertification requirements



Member awareness is **highest** for these benefits:

78%
(ISC)² webinars



66%
Digital Badges



62%
Chapters

- Chapter Membership Survey – To dig deeper into how can we best engage chapters, we surveyed chapter members and learned:

Chapter Membership Engagement

79%
are satisfied with
their experience as
a chapter member



87%

are likely to renew their
chapter membership
this year



85%

are likely to recommend their
chapter to a colleague



83%

feel their chapter is
beneficial to their
professional growth

Why members **join** a chapter



79%

Stay current/learn
new topics



78%

Networking



12

New
Chapters

Honoring Excellence

Global Achievement Awards

In August, (ISC)² announced its list of honorees for its 2021 (ISC)² Global Achievement Awards, which recognize individuals who have made outstanding contributions to cybersecurity and information security and who have made a difference in this ever-evolving industry, honoring tireless efforts and standards of excellence. Honorees were nominated by qualified colleagues, mentors and peers.

Congratulations to all for everything you do to inspire a safe and secure cyber world!



The (ISC)² Global Achievement Award Honorees:

- The **(ISC)² Senior Professional Award**
 - Americas: **Marouane Balmakhtar, CISSP**, principal technology strategist, T-Mobile
 - Asia-Pacific: **Dr. InJung Kim**, senior researcher, The Affiliated Institute of Electronics and Telecommunications Research Institute (ETRI)
 - EMEA: **Soney Paul Bahanan**, information security manager, NMC Healthcare
- The **(ISC)² Mid-Career Professional Award**
 - Americas: **Diondria Holliman, CISSP**, IT cybersecurity analyst, Medtronic
 - Asia-Pacific: **Neha Malhotra, CISSP, CCSP**, vice president, cybersecurity attack surface management, Credit Suisse
- The **(ISC)² Rising Star Professional Award**
 - Americas: **Kathryn M. Murphy**, cybersecurity engineer, MSAG
 - EMEA: **Alexander Kuehl, CISSP-ISSMP, CAP, SSCP**, information security
- The **(ISC)² Government Professional Award**
 - Americas: **Erica M. Mitchell, CISSP**, critical infrastructure key resources team lead for the U.S. Army Cyber Institute
 - Asia-Pacific: **GP CAPT Amorn Chomchoey, CISSP**, acting deputy secretary general, National Cyber Security Agency of Thailand
 - EMEA: **Angella Tugume, CISSP**, risk analyst, National Information Technology Authority - Uganda

- The **(ISC)² Harold F. Tipton Lifetime Achievement Award**
 - **Rich Owen, Jr., CISSP**, CEO, Johnny Security Seed, LLC

- The **Fellow of (ISC)² Award** was posthumously awarded to **Dan Kaminsky**, a top security researcher best known for discovering a fundamental flaw in the DNS system, earning him the title of “internet security savior” and “a digital Paul Revere.”

- The **(ISC)² Diversity Award**
 - Americas: **Julian Waits**, GM, cybersecurity, Devo Technologies
 - Asia-Pacific: **Neha Malhotra, CISSP, CCSP**, vice president, cybersecurity attack surface management, Credit Suisse

- The **(ISC)² CEO Award**
 - **Meg West, CISSP**, cybersecurity incident responder, IBM X-Force

- The **(ISC)² F. Lynn McNulty Tribute Award** recognized **Kelvin Coleman** for his leadership in launching Cybersecurity Awareness Month.

- The **Center for Cyber Safety and Education Awards**
 - **CAPA8**

- The **Center for Cyber Safety and Education Julie Peeler Franz “Do It for The Children” Volunteer Award**
 - **Roela Santos** of Virginia

- **(ISC)² Chapter Recognition Awards**
 - **Asia-Pacific** – Singapore Chapter
 - **Latin America** – Argentina Chapter
 - **EMEA** – Nigeria Chapter
 - **North America** – Long Island New York Chapter

Thank you to all our members for another outstanding year in unprecedented times.

Your dedication, commitment and passion to strengthening the cybersecurity profession inspires all of us at (ISC)². It is our sincere hope this new Annual Report is insightful and demonstrates how everyone at (ISC)² is dedicated to helping you reach your career goals while providing the support you need to successfully tackle the challenges facing the profession. From positively impacting the cybersecurity workforce gap to promoting DEI within the profession to ensuring policy makers around the world understand the challenges you face, you will always have a tireless champion in (ISC)². Together, we strive to make our aspirations a reality. Together, we will inspire a more safe and secure cyber world.



Audited Financial Statements

**INTERNATIONAL INFORMATION SYSTEM
SECURITY CERTIFICATION CONSORTIUM, INC.
AND SUBSIDIARIES**

Consolidated Financial Statements

**December 31, 2021 and 2020
(With Independent Auditors' Report Thereon)**

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

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Independent Auditors' Report

The Board of Directors
International Information System Security
Certification Consortium, Inc. and Subsidiaries:

Opinion

We have audited the consolidated financial statements of International Information System Security Certification Consortium, Inc. and Subsidiaries (the "Consortium"), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of International Information System Security Certification Consortium, Inc. and Subsidiaries as of December 31, 2021 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Consortium 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 Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

MAYER HOFFMAN McCANN P.C.

March 18, 2022
St. Petersburg, Florida

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Consolidated Statements of Financial Position

December 31, 2021 and 2020

Assets	2021	2020
Current assets:		
Cash and cash equivalents	\$ 44,529,209	33,503,236
Event receivables	2,259,044	1,801,903
Certification receivables, less allowance for doubtful accounts of \$1,952,000 and \$1,988,000 in 2021 and 2020, respectively	806,737	783,010
Other accounts receivable	248,794	583,437
Prepaid expenses	2,510,028	2,839,880
Total current assets	50,353,812	39,511,466
Property and equipment, net	887,617	1,411,974
Operating lease right-of-use assets	1,821,155	-
Other assets:		
Investments	56,166,216	51,546,126
Examination question pool, net of amortization of \$2,733,000 and \$2,946,000 in 2021 and 2020, respectively	2,608,732	2,943,644
Other	430,031	541,397
Total assets	\$ 112,267,563	95,954,607
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,108,790	5,083,325
Deferred revenue	25,378,162	25,768,497
Foreign tax accrual	950,535	679,205
Operating lease liabilities - current	1,233,145	-
Total current liabilities	32,670,632	31,531,027
Accrued scholarships - non-current	16,236	12,112
Deferred compensation	245,697	297,310
Operating lease liabilities - non-current	648,451	-
Total liabilities	33,581,016	31,840,449
Net assets:		
Without donor restrictions:		
Undesignated	37,671,115	25,908,739
Board designated operating reserves	41,000,000	38,000,000
Total net assets without donor restrictions	78,671,115	63,908,739
With donor restrictions	15,432	205,419
Total net assets	78,686,547	64,114,158
Total liabilities and net assets	\$ 112,267,563	95,954,607

See accompanying independent auditors' report and notes to consolidated financial statements.

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Consolidated Statements of Activities

For the Years Ended December 31, 2021 and 2020

	2021	2020
Changes in net assets without donor restrictions:		
Operating support and revenue:		
Educational services	\$ 21,478,500	18,022,749
Professional examinations	28,748,578	20,196,965
Certification renewal fees	20,396,734	17,387,555
In-kind contributions	693,250	467,000
Contributions	287,039	240,357
Investment return designated for current operations	914,698	779,839
Other revenue	359,723	387,294
Foreign currency exchange loss	(159,372)	(26,804)
Net assets released from restrictions	189,987	-
Total operating support and revenue	72,909,137	57,454,955
Operating expenses:		
Program services	33,259,624	26,118,171
Supporting services:		
Administrative	28,584,305	24,876,161
Fundraising	59,837	59,617
Total operating expenses	61,903,766	51,053,949
Change in net assets without donor restrictions from operations	11,005,371	6,401,006
Other changes:		
Investment return in excess of amounts designated for current operations	3,757,005	2,769,012
Change in net assets without donor restrictions	14,762,376	9,170,018
Changes in net assets with donor restrictions:		
Contributions	-	32,972
Net assets released from restrictions	(189,987)	-
Change in net assets with donor restrictions	(189,987)	32,972
Change in net assets	14,572,389	9,202,990
Net assets at beginning of year	64,114,158	54,911,168
Net assets at end of year	\$ 78,686,547	64,114,158

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2021

	Program Services	Supporting Services		Total
		Administrative	Fundraising	
Employee salaries and wages	\$ 11,546,130	10,143,621	32,437	21,722,188
Employee benefits and taxes	2,226,151	2,524,427	7,601	4,758,179
Total personnel costs	13,772,281	12,668,048	40,038	26,480,367
Educational services	5,684,910	8,278	1,753	5,694,941
Professional examinations	5,492,657	-	-	5,492,657
Marketing and communications	924,584	3,491,472	338	4,416,394
Bad debt expense	875	1,083,545	-	1,084,420
Bank fees	1,630,975	53,657	343	1,684,975
Computer licenses and support	26,825	5,899,478	-	5,926,303
Contract labor	9,938	4,410	-	14,348
Impairment of intangibles	40,384	-	-	40,384
Membership development	285,620	20	-	285,640
Other	388,380	122,551	213	511,144
Professional fees	2,167,014	2,405,759	10,469	4,583,242
Rent	14,056	1,634,473	5,263	1,653,792
Scholarships	149,380	-	-	149,380
Supplies	41,732	85,230	-	126,962
Telephone and internet	46,017	102,494	-	148,511
Training	34,407	115,534	-	149,941
Travel	47,725	260,083	-	307,808
Total operating expenses before depreciation, amortization and taxes	30,757,760	27,935,032	58,417	58,751,209
Amortization	1,779,177	-	-	1,779,177
Depreciation	531,339	361,225	1,420	893,984
VAT, income, and other taxes	191,348	288,048	-	479,396
Total operating expenses	\$ 33,259,624	28,584,305	59,837	61,903,766

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2020

	Program Services	Supporting Services		Total
		Administrative	Fundraising	
Employee salaries and wages	\$ 9,636,824	10,305,408	30,003	19,972,235
Employee benefits and taxes	1,690,183	2,408,977	6,259	4,105,419
Total personnel costs	11,327,007	12,714,385	36,262	24,077,654
Educational services	3,171,350	-	-	3,171,350
Professional examinations	3,849,563	-	-	3,849,563
Marketing and communications	777,852	1,887,106	2,486	2,667,444
Bad debt expense	2,625	98,335	-	100,960
Bank fees	1,546,823	47,945	108	1,594,876
Computer licenses and support	30,621	6,358,802	-	6,389,423
Contract labor	63,427	68,827	-	132,254
Impairment of intangibles	83,410	-	-	83,410
Membership development	260,990	-	-	260,990
Other	94,266	361,710	479	456,455
Professional fees	1,582,955	724,061	14,922	2,321,938
Rent	746,756	1,221,690	4,379	1,972,825
Scholarships	150,304	-	-	150,304
Supplies	32,677	103,263	4	135,944
Telephone and internet	67,409	88,755	-	156,164
Training	26,319	50,894	-	77,213
Travel	127,024	135,619	-	262,643
Total operating expenses before depreciation, amortization and taxes	23,941,378	23,861,392	58,640	47,861,410
Amortization	1,956,409	-	-	1,956,409
Depreciation	117,962	919,012	977	1,037,951
VAT, income, and other taxes	102,422	95,757	-	198,179
Total operating expenses	\$ 26,118,171	24,876,161	59,617	51,053,949

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 14,572,389	9,202,990
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,673,161	2,994,360
Provision for bad debts	1,084,420	100,960
Impairment of intangibles	40,384	83,410
Loss on disposal of assets	44,712	9,941
Noncash lease expense	60,441	-
Realized and unrealized gains on investments	(3,801,713)	(2,806,813)
Decrease (increase) in operating assets:		
Events, certifications, and other accounts receivable	(1,230,645)	(70,935)
Prepaid expenses	329,852	573,035
Other assets	111,366	30,853
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	25,465	(998,455)
Deferred revenue	(390,335)	3,953,853
Foreign tax accrual	271,330	212,698
Accrued scholarships	4,124	2,743
Deferred compensation	(51,613)	102,100
Net cash provided by operating activities	13,743,338	13,390,740
Cash flows from investing activities:		
Purchases of property and equipment	(414,469)	(176,266)
Proceeds from sale of equipment	130	23,036
Question pool development costs	(1,484,649)	(1,661,440)
Purchase of investments	(17,162,029)	(35,529,110)
Proceeds from sale of investments	16,343,652	34,683,472
Net cash used in investing activities	(2,717,365)	(2,660,308)
Net change in cash and cash equivalents	11,025,973	10,730,432
Cash and cash equivalents at beginning of year	33,503,236	22,772,804
Cash and cash equivalents at end of the year	\$ 44,529,209	33,503,236

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Organization

International Information System Security Certification Consortium, Inc. and Subsidiaries (the “Consortium”) is a nonprofit organization organized in the state of Massachusetts. The Consortium establishes international standards of excellence within the field of information systems security and provides certification to individuals in the profession. It also provides educational services to various entities and its certification holders around the world. Its corporate headquarters are located in Clearwater, Florida.

The accompanying consolidated financial statements include the accounts of International Information System Security Certification Consortium, Inc. (“ISC”) and its wholly-owned subsidiaries: International Information Systems Security Certification Consortium Limited, Hong Kong (“Hong Kong Company”) and International Information Systems Security Certification Consortium Limited, United Kingdom (“UK Company”), as well as the Center for Cyber Safety and Education (the “Center”), which is a segregated fund within the Consortium. All intercompany transactions have been eliminated. The Hong Kong Company and the UK Company were organized to enable business transactions in Hong Kong and the United Kingdom, respectively. The Center was established as a segregated fund within the Consortium for exclusively charitable purposes.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America which require the Consortium report information regarding its consolidated financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for general use and not subject to donor restrictions. The Board of Directors (the “Board”) has designated a portion of net assets without donor restrictions as an operating reserve to fund future capital investments and other long-term needs.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Donor-imposed restrictions are temporary in nature and will be met either by the passage of time or the accomplishment of a purpose restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the accompanying consolidated statement of activities as net assets released from restrictions. At December 31, 2021 and 2020, net assets with donor restrictions were restricted for specific programs of the Center and totaled \$15,432 and \$205,419, respectively.

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(b) Cash and Cash Equivalents

The Consortium considers all short-term investments with original maturities of three months or less to be cash equivalents.

(c) Event and Certification Receivables

Event and certification receivables are recorded at realizable value net of an allowance for doubtful accounts. The allowance is estimated from historical performance and projection of trends. Accounts that are more than 120 days past due are put on credit hold. Event and certification receivables are written off when deemed uncollectible. Event and certification receivables may be charged a fee for interest if the account remains in a delinquent status. Interest income is recorded upon billing.

(d) Prepaid Expenses

Prepaid expenses consist primarily of insurance premiums, software license agreements, and software maintenance. These items are expensed pro rata over the contract period in which the Consortium receives the benefits.

(e) Property and Equipment

Property and equipment with an estimated life greater than one year are recorded at cost and depreciated using the straight-line method of depreciation over the estimated useful lives of the underlying assets. Acquisitions of property and equipment equal to or in excess of \$1,000 are capitalized.

(f) Leases

The Consortium determines if an arrangement is a lease at inception. All of the Consortium's leases meet the criteria for classification as operating leases. Operating leases are included in operating lease right-of-use ("ROU") assets, and operating lease liabilities in the consolidated statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the Consortium's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at lease commencement date based on the present value of lease payments over the lease term. As most of the Consortium's leases do not provide an implicit rate, the Consortium has used the incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The Consortium uses the implicit rate when readily determinable. The operating lease ROU asset excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Consortium will exercise that option. Rent expense for lease payments is recognized on a straight-line basis over the lease term.

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(f) Leases - Continued

The Consortium early adopted Accounting Standards Update No. 2016-02, *Leases*, under the modified retrospective approach. The impact on the consolidated financial statements is further outlined below in *Recently Adopted Accounting Pronouncements* (Note 2(s)).

(g) Assets Limited as to Use

As of December 31, 2021, investments include assets limited as to use representing assets held by trustees for the Consortium's 457(b) and 457(f) deferred compensation plans as more fully described in Note 10.

(h) Investments

Investments consisting primarily of mutual funds and money funds are measured at fair value based on quoted market prices. Investments also include corporate and government bonds which are measured at fair value based on quoted market prices in markets that may not be active. Gains and losses on fair value adjustments are recognized on the specific identification basis, net of investment expenses.

The Consortium's deferred compensation plan investments are measured at fair value on a recurring basis and consist of primarily of mutual funds, corporate and government bonds, and money funds.

(i) Examination Question Pool

The examination question pool consists of costs for developing exam questions that are the basis for certifications exams. Questions are used on a statistically determined rotating basis and are updated periodically to provide tests that are statistically unique. The question pool is being amortized on a straight-line basis over an estimated life of three years.

(j) Impairment or Disposal of Long-Lived Assets

The Consortium reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Consortium assesses the recoverability of the cost of the asset based on a review of projected undiscounted cash flows. In the event an impairment loss is identified, it is recognized based on the amount by which the carrying value exceeds the estimated fair value of the long-lived asset. The Consortium recorded a loss from impairment of intangibles of \$40,384 and \$83,410 for the years ended December 31, 2021 and 2020, respectively.

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(k) Revenue Recognition and Operations

The Consortium derives revenue from educational services, professional examinations (“examinations” or “exams”), and certification renewal fees (“certification”).

Educational services include revenues from seminar attendance fees, annual event attendance fees, and kit sales. The Consortium recognizes revenue for seminar attendance fees and annual event attendance fees when the service is provided to the customer, generally over the time period of the seminar or annual event. The Consortium has determined that over time recognition is appropriate because the customer receives and consumes the benefit of the services ratably over the days the seminar or annual event is held. The Consortium recognizes revenue for kit sales when the control of products has been transferred to the customer. The Consortium has determined that a point in time recognition is appropriate because the customer receives and consumes the benefit of the goods once control of the kit has been transferred to the customer.

Examination revenues include examinations and exam rescheduling fees. The Consortium recognizes examination revenue and exam rescheduling fees at a point in time when the examination has been completed by the applicant. The Consortium has determined that a point in time recognition is appropriate because the customer receives and consumes the benefit of the examination when the examination has been taken by the applicant.

Certification revenue includes fees earned from renewals of memberships and professional certifications. The Consortium recognizes certification revenue over the term of the membership. The Consortium has determined that over time recognition is appropriate because the customer receives and consumes the benefit of the certification over the term of the membership.

(l) Deferred Revenue

Education service fees received in advance are deferred and recognized over the course of the training program. Professional examination fees and rescheduling fees received from certification applicants are deferred for revenue recognition purposes until the examination has been completed by the applicants. Certification renewal fees covering future periods, for which payment has been received, are deferred and recognized as revenue over the period of membership.

(m) Contributions

All contributions are reflected in net assets without donor restrictions or in net assets with donor restrictions based on the existence or absence of donor restrictions. Amounts received with donor-imposed restrictions that are recorded as revenues in net assets with donor restrictions are reclassified to net assets without donor restrictions when the time or purpose restriction has been satisfied.

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(n) Donated Services

Contributions of services are recognized if the services received (a) create or enhance an asset or (b) require specialized skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation. The value of services is based on estimated fair value.

(o) Advertising

The Consortium uses external advertising resources. External advertising consists of promotions, publications, and internet advertising. The Consortium expenses advertising costs when incurred. Advertising costs incurred during 2021 and 2020 were \$3,933,213 and \$2,267,110, respectively, and are included in marketing and communications expense.

(p) Income Taxes

The Consortium, excluding the Center, is generally exempt from U.S. income taxes under Section 501(c)(6) of the Internal Revenue Code. The Center is generally exempt from U.S. income taxes under Section 501(c)(3) of the Internal Revenue Code. Information returns (Forms 990) are filed with the Internal Revenue Service. The Consortium has evaluated its tax positions taken for all open tax years and does not believe it has any uncertain income tax positions as defined by accounting principles generally accepted in the United States of America for income taxes. The 2018, 2019 and 2020 tax years are open and subject to examination by the Internal Revenue Service. The Consortium is not currently under audit nor has the Consortium been contacted by the Internal Revenue Service.

Some foreign operations of the Consortium are subject to foreign income taxes. Foreign taxes are expensed when incurred. There was \$196,374 of income tax expense related to United Kingdom foreign operations for the year ended December 31, 2021. The Consortium has net operating loss carryforwards of approximately \$3,975,006 in Hong Kong taxing jurisdictions. The Consortium operates in countries where foreign taxes are not paid, so there may be additional foreign tax jurisdictions that may assess income taxes to the Consortium.

(q) Use of Estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(q) Use of Estimates - Continued

The most significant estimates include those used in determining the carrying value of the allowance for doubtful accounts, amortization life of examination question pool assets, in-kind revenues, and the foreign tax accrual. Although some variability is inherent in these estimates, management believes that the amounts presented are adequate.

(r) Functional Allocation of Expenses

The costs of providing the various programs and activities and supporting services have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Expenses directly attributable to a specific functional area of the Consortium are reported as direct expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the functional areas based on either time spent by employees on each functional area or based on the Consortium's square footage analysis for all indirect occupancy-related indirect costs.

(s) Recently Adopted Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. Topic 842 supersedes the lease requirements in Accounting Standards Codification Topic 840, *Leases*. Under Topic 842, lessees are required to recognize assets and liabilities on the consolidated statement of financial position for most leases and provide enhanced disclosures. Leases will continue to be classified as either finance or operating.

The Consortium has early adopted Topic 842 effective January 1, 2021. The most significant effects of Topic 842 were the recognition of \$3.19 million of operating lease assets and \$3.2 million of operating lease liabilities upon adoption. The Consortium applied Topic 842 to all leases as of January 1, 2021 with comparative periods continuing to be reported under Topic 840. In the adoption of Topic 842, the Consortium carried forward the assessment from Topic 840 of whether contracts contain or are leases, the classification of leases, and remaining lease terms. Adoption of the standard did not have a significant effect on the Consortium's results of operations or cash flows. See Note 11 for further details.

(t) Reclassification

Certain amounts in the 2020 consolidated financial statements have been reclassified for comparative purposes to conform to the 2021 presentation. These reclassifications had no effect on net assets or changes in net assets.

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(u) Subsequent Events

The Consortium has evaluated subsequent events through March 18, 2022, the date the consolidated financial statements were available to be issued.

(3) Liquidity and Availability of Resources

The Consortium regularly monitors liquidity to meet its operating needs and other contractual commitments while also striving to maximize the investment of its available funds. The Consortium has various sources of liquidity at its disposal, including cash and cash equivalents and marketable debt and equity securities.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Consortium considers all expenditures related to its ongoing program activities as well as activities conducted to support those programs to be general expenditures. In addition to the financial assets available to meet general expenditures over the next 12 months, the Consortium operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the consolidated statements of cash flows which identify sources and uses of the Consortium's cash and cash equivalents and show positive cash generated from operations for the years ended December 31, 2021 and 2020.

As of December 31, 2021 and 2020, the Consortium's financial assets available to meet cash needs for general expenditures for the next 12 months were as follows:

	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 44,529,209	33,503,236
Accounts receivable	3,314,575	3,168,350
Investments	56,166,216	51,546,126
Total financial assets	104,010,000	88,217,712
Less amounts unavailable for general expenditure within the next 12 months due to:		
Contractual or donor-imposed restrictions:		
Donor-restricted for specific purposes	(15,432)	(205,419)
Board-designations:		
Operating reserves	(41,000,000)	(38,000,000)
Financial assets available to meet cash needs for general expenditures over the next 12 months	\$ 62,994,568	50,012,293

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements - Continued

(4) Center Activity

The Center was established as a separate fund within the Consortium during 2011. In both 2021 and 2020, the Center recorded contributions of \$600,000 from (ISC)², which were eliminated upon consolidation. The Center also recorded \$287,039 and \$273,329 of contributions from outside sources in 2021 and 2020, respectively. In addition, the Center recorded expenses as follows for the years ended December 31:

	2021	2020
Program services:		
Scholarship programs	\$ 237,828	235,494
Safe and secure program	280,905	464,986
Fundraising expenses	59,837	59,617
Administrative expenses	47,244	57,580
	\$ 625,814	817,677

(5) Property and Equipment

Property and equipment and estimated useful lives consist of the following at December 31:

	2021	2020	Estimated Useful Lives
Computer equipment and software	\$ 2,723,271	2,427,332	3-5 years
Office equipment	484,275	497,346	3 years
Website	604,527	604,527	3 years
Furniture and fixtures	497,773	600,860	7-10 years
Leasehold improvements	1,082,051	1,088,370	7 years
	5,391,897	5,218,435	
Less accumulated depreciation	(4,508,638)	(3,806,461)	
Construction in process	4,358	-	
	\$ 887,617	1,411,974	

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements - Continued

(5) Property and Equipment - Continued

Depreciation expense for the years ended December 31, 2021 and 2020 was \$893,984 and \$1,037,951, respectively.

(6) Investments and Fair Value Measurements

The Consortium records fair value measurements according to accounting principles generally accepted in the United States of America, which define fair value and specify a hierarchy of valuation techniques. The disclosure of fair value estimates in the hierarchy is based on whether the significant inputs into the valuation are observable. In determining the level of hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect the Consortium's significant market assumptions. The Consortium measures investments at fair value on a recurring basis.

The following is a brief description of the types of valuation information (inputs) that qualify a financial asset for each level:

- Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets which are accessible by the Consortium;
- Level 2: Observable prices in active markets for similar assets or liabilities, prices for identical or similar assets or liabilities in markets that are not active, market inputs that are not directly observable but are derived from or corroborated by observable market data;
- Level 3: Unobservable inputs based on the Consortium's own judgment as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data.

Financial assets classified as Level 1 in the fair value hierarchy include mutual funds and money funds in 2021 and 2020. These investments are traded on a daily basis in active markets and the Consortium estimates the fair value of these securities using unadjusted quoted market prices.

Corporate and government bonds are recorded as Level 2 in the hierarchy. The valuation of these bonds is based on quoted market prices in inactive markets.

A review of fair value hierarchy classification is conducted on an annual basis. Changes in the observability of valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy.

The Consortium evaluates the various types of financial assets to determine the appropriate fair value hierarchy classification based upon trading activity and the observability of market inputs. The Consortium employs control processes to validate the reasonableness of the fair value estimates of its assets and liabilities, including those estimates based on prices and quotes obtained from independent third party sources.

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements - Continued

(6) Investments and Fair Value Measurements - Continued

The following table sets forth by level, within the fair value hierarchy, the Consortium's assets at fair value as of December 31, 2021 and 2020:

<u>Description</u>	<u>Fair Value Measurements at December 31, 2021 Using</u>			
	<u>Assets Measured at Fair Value at December 31, 2021</u>	<u>Observable Inputs (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
Mutual funds:				
Mid cap	\$ 45,475	45,475	-	-
Large cap	88,326	88,326	-	-
Stock index	9,635,206	9,635,206	-	-
Value	2,840,285	2,840,285	-	-
US equity	2,265,753	2,265,753	-	-
Emerging markets	3,335,100	3,335,100	-	-
International	9,436,828	9,436,828	-	-
Equities - ETF	3,959,776	3,959,776	-	-
Real estate	1,187,755	1,187,755	-	-
Corporate bonds	15,742,493	-	15,742,493	-
Government bonds	5,826,642	-	5,826,642	-
Money funds	1,802,577	1,802,577	-	-
	<u>\$ 56,166,216</u>	<u>34,597,081</u>	<u>21,569,135</u>	<u>-</u>

<u>Description</u>	<u>Fair Value Measurements at December 31, 2020 Using</u>			
	<u>Assets Measured at Fair Value at December 31, 2020</u>	<u>Observable Inputs (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
Mutual funds:				
Mid cap	\$ 132,706	132,706	-	-
Large cap	55,999	55,999	-	-
Stock index	8,879,889	8,879,889	-	-
Global listed infrastructure	2,183,625	2,183,625	-	-
US equity	2,704,004	2,704,004	-	-
Emerging markets	3,134,895	3,134,895	-	-
International	7,881,539	7,881,539	-	-
Equities - ETF	3,067,931	3,067,931	-	-
Real estate	1,031,431	1,031,431	-	-
Corporate bonds	13,582,388	-	13,582,388	-
Government bonds	7,518,958	-	7,518,958	-
Money funds	1,372,761	1,372,761	-	-
	<u>\$ 51,546,126</u>	<u>30,444,780</u>	<u>21,101,346</u>	<u>-</u>

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements - Continued

(7) Concentrations

(a) Credit Risk

The Consortium maintains cash balances at various banking institutions. The accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. Cash balances in banks in excess of FDIC insured limits were approximately \$44.3 million at December 31, 2021 and \$33.3 million at December 31, 2020. These funds could be subject to loss if the financial institutions were to fail. Management believes the financial institutions are financially stable and that the funds are secure.

The functional currency of the majority of the Consortium’s operations is the U.S. dollar; however, there are a number of transactions for which the Consortium is paid in foreign currency (British pounds or Euro).

The Consortium has included the following in cash and event receivables at December 31:

	2021		
	Foreign Currency	Exchange Rate	U.S. Dollars
Cash:			
Funds in British pounds	£ 384,054	1.35	\$ 518,147
Funds in Euro	€ 249,919	1.13	283,051
Event receivables:			
Funds in British pounds	£ 131,427	1.35	177,315
Funds in Euro	€ 249,031	1.13	282,045
			\$ 1,260,558
	2020		
	Foreign Currency	Exchange Rate	U.S. Dollars
Cash:			
Funds in British pounds	£ 253,887	1.36	\$ 344,753
Funds in Euro	€ 390,584	1.23	479,793
Event receivables:			
Funds in British pounds	£ 129,421	1.36	175,741
Funds in Euro	€ 80,029	1.23	98,308
			\$ 1,098,595

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements - Continued

(7) Concentrations - Continued

(a) Credit Risk - Continued

Cash and receivables have been adjusted to reflect the current exchange rate of the U.S. dollar at December 31, 2021 and 2020. A risk of change in foreign currency rates will remain until the cash is converted to U.S. dollars or receivables are settled. This risk is not considered material to the Consortium's overall consolidated financial statements. Gains and losses that result from remeasurement are included in income. The effects from foreign currency translation were losses of \$159,372 and \$26,804 during 2021 and 2020, respectively.

Event receivables at December 31, 2021 include approximately \$1,232,000 of receivables due from one significant customer.

Event receivables at December 31, 2020 include approximately \$731,000 of receivables due from two significant customers.

(b) Vendors

During 2021 and 2020, the Consortium utilized one vendor for a significant portion of operations related to test delivery. During 2021 and 2020, the Consortium paid this vendor approximately \$4.6 million and \$4.5 million, respectively. Approximately \$468,000 and \$917,000 was payable to this vendor as of December 31, 2021 and 2020, respectively.

(8) Valued-Added Taxes

The Consortium has recorded a liability for value-added tax for services sold in foreign countries. The bulk of services are sold through independent training partners, which insulate the Consortium from value-added tax exposure. However, there is a portion of services provided that are not provided through independent training partners and an accrual has been recorded as an estimate of tax exposure in these foreign countries. There may be additional foreign tax jurisdictions that may assess taxes to the Consortium.

In areas where the Consortium collects and remits tax, revenues are recorded net of tax.

Value-added taxes for the years ended December 31, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
United Kingdom value-added tax (refund)	\$ (5,026)	39,609
	<u>\$ (5,026)</u>	<u>39,609</u>

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements - Continued

(8) Valued-Added Taxes - Continued

The tax accrual for value added taxes at December 31 is as follows:

	<u>2021</u>	<u>2020</u>
United Kingdom value-added tax	\$ 200,497	209,184
Other unidentified foreign taxes	<u>750,038</u>	<u>470,021</u>
	<u>\$ 950,535</u>	<u>679,205</u>

As the Consortium continues to expand and to administer examinations and provide training in foreign countries, there will be tax exposure to the Consortium. Management is in a continual process of evaluating that exposure and has set aside a reserve of approximately \$750,000 for unidentified tax liability at December 31, 2021. While the Consortium believes that this reserve is sufficient to cover unidentified tax liabilities as of December 31, 2021, there is the potential for additional unrecognized tax consequences.

(9) 401(k) Retirement Plan

The Consortium sponsors a 401(k) retirement plan covering substantially all employees meeting certain service requirements. The Consortium makes discretionary safe harbor contributions which vest immediately. Contributions to the plan were \$806,859 and \$705,055 for the years ended December 31, 2021 and 2020, respectively.

(10) 457 Non-Qualified Deferred Compensation Plans

Effective November 15, 2015, the Consortium adopted a non-qualified Deferred Compensation Benefit Plan, as described in Section 457(b) of the Internal Revenue Code, for key management employees designated by the Board of Directors and Chief Executive Officer. The 457 (b) plan operates on a calendar-year basis, whereby the participants are eligible to make contributions to the accounts up to a maximum amount mandated by the Internal Revenue Code. The funds set aside for the 457(b) plan remain assets of the Consortium, and are available to satisfy the claims of all general creditors of the Consortium until such time as the participant withdraws the funds in accordance with plan provisions.

Effective June 1, 2021, the Consortium adopted a non-qualified Deferred Compensation Benefit Plan, as described in Section 457(f) of the Internal Revenue Code, for key managerial and highly compensated employees. For the 457(f) plan, an annual discretionary contribution is made on the participants' behalf under Code Section 457(f). The amount is maintained on the Consortium's books in a designated account and will remain the sole property of the Consortium and is available to satisfy the claims of all general creditors of the Consortium. The participants shall have a fully vested, nonforfeitable interest in their deferred compensation if the Consortium dissolves or if the participant (1) dies; (2) becomes disabled; or (3) is terminated from employment for reasons other than for cause.

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements - Continued

(10) 457 Non-Qualified Deferred Compensation Plans - Continued

As of December 31, 2021, the assets and corresponding liabilities of the 457(b) and 457(f) plans in the amount of \$234,727 and \$10,970, respectively, are recorded in investments and deferred compensation in the accompanying consolidated statement of financial position. As of December 31, 2020, the assets and corresponding liabilities of the 457(b) plan in the amount of \$297,310 are recorded in investments and deferred compensation in the accompanying consolidated statement of financial position.

(11) Operating Leases

The Consortium has several leases for office space with expiration dates through August 2023. There are options to terminate leases. Lease extension and termination options have not been included in the operating lease liability calculation as the Consortium does not consider it to be reasonably certain that options will be exercised. There are no variable lease payments, restrictions or covenants. Rent expense for these leases totaled \$1,370,795 and \$1,731,522 in 2021 and 2020, respectively.

Weighted average remaining lease term on operating leases at December 31, 2021 was 2 years. Weighted average discount rate on operating leases at December 31, 2021 was 3.25% and was determined by reference to the Consortium's incremental borrowing rate.

Maturities of operating lease liabilities are as follows:

<u>Year Ending December 31,</u>	
2022	\$ 1,276,152
2023	<u>654,846</u>
Total lease payments	1,930,998
Less imputed interest	<u>49,402</u>
Present value of operating lease liabilities	1,881,596
Less current portion of operating lease liabilities	<u>1,233,145</u>
Obligation under operating lease liabilities, less current portion	<u>\$ 648,451</u>

The Consortium also has lease agreements for various office equipment and office space that are payable on month-to-month terms.

Total operating lease expense for the years ended December 31, 2021 and 2020, excluding amounts for office space, totaled \$282,997 and \$241,303, respectively.

**INTERNATIONAL INFORMATION SYSTEM SECURITY CERTIFICATION
CONSORTIUM, INC. AND SUBSIDIARIES**

Notes to Consolidated Financial Statements - Continued

(12) Future Amortization of Intangible Assets

Intangible assets at December 31, 2021 consist of examination question pool costs. The estimated future amortization expense for these intangible assets is as follows:

<u>Year Ending December 31,</u>	
2022	\$ 1,407,293
2023	770,063
2024	<u>431,376</u>
	<u>\$ 2,608,732</u>

(13) Legal Matters

From time to time the Consortium is involved in legal matters that arise in the ordinary course of business. Management does not believe that the ultimate resolution of these matters will have a material impact on the Consortium's consolidated financial position or change in net assets.



March 18, 2022

To the Board of Directors and Management
International Information System Security Certification
Consortium, Inc. and Subsidiaries:

We have audited the consolidated financial statements of International Information System Security Certification Consortium, Inc. and Subsidiaries (the “Consortium”) for the year ended December 31, 2021, and have issued our report thereon dated March 18, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated January 5, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Consortium are described in Note 2 to the consolidated financial statements. In 2021, the Consortium early adopted Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. Under Topic 842, lessees are required to recognize assets and liabilities on the consolidated statement of financial position for most leases and provide enhanced disclosures. No new additional accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Consortium during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the consolidated financial statements in the proper period.

Accounting estimates are an integral part of the consolidated financial statements and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the consolidated financial statements were:

- Management’s estimate of the collectability of accounts receivable balances and the related allowance for doubtful accounts are based on historical collection trends and an analysis of current economic conditions. We evaluated the key factors and assumptions used by management to develop the allowance for doubtful accounts at December 31, 2021 in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.



- Management's estimate of useful lives of intangible assets is based on historical lives of similar intangible assets and anticipated updates to examination questions. We evaluated the key factors and assumptions used by management to develop the anticipated useful lives of intangible assets at December 31, 2021 in determining that they are reasonable in relation to the consolidated financial statements taken as a whole.
- Management's estimate of the reserve for value-added taxes is based on historical assessments by various taxing authorities. We evaluated the key factors and assumptions used by management to develop the reserve for value-added taxes at December 31, 2021 in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.

The consolidated financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in performing and completing our audit.

Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements were identified in connection with the audit process.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the consolidated financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Significant Unusual Transactions

For purposes of this letter, professional standards define *significant unusual transactions* as transactions that are outside the normal course of business for the Consortium or that otherwise appear to be unusual due to their timing, size or nature. We did not identify any significant unusual transactions during our audit.

Related Party Relationships and Transactions

As part of our audit, we evaluated the Consortium's identification of, accounting for, and disclosures of the Consortium's relationships and transactions with related parties as required by professional standards. We did not identify any related parties or related party relationships or transactions that were previously undisclosed to us; significant related party transactions that have not been approved in accordance with the Consortium's policies or procedures or for which exceptions to the Consortium's policies or procedures were granted; or significant related party transactions that appeared to lack a business purpose.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 18, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Consortium’s consolidated financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Consortium’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of International Information System Security Certification Consortium, Inc. and Subsidiaries and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

MAYER HOFFMAN McCANN P.C.

Mayer Hoffman McCann P.C.
St. Petersburg, Florida