

AORN, INC. AND SUBSIDIARIES

Combined Statements of Financial Position (Audited)

	December 31,	
	2020	2019
Assets		
Current assets		
Cash and cash equivalents	\$ 8,229,157	\$ 7,642,634
Accounts receivable, net of allowance for doubtful accounts of \$128,367 (2018) and \$104,200 (2017)	2,282,010	2,648,883
Promises to give - current portion	1,229,275	636,001
Inventory	31,715	10,602
Prepaid expenses and deposits	1,366,775	2,329,995
Equity method investment		
Note Receivable	-	-
Total current assets	<u>13,138,932</u>	<u>13,268,115</u>
Property and equipment, net	5,433,088	5,514,755
Work in progress	148,400	408,090
Note receivable, non-current portion	-	-
Long-term prepaid expense, deposits and other	129,439	392,245
Investments	13,695,892	12,512,656
Promises to give - non-current portion	17,000	15,000
Intangible Assets	1,487,201	1,601,601
Goodwill, Net	<u>3,095,404</u>	<u>3,845,404</u>
Total Assets	<u>\$ 37,145,356</u>	<u>\$ 37,557,866</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,013,304	\$ 4,091,910
Scholarships payable	90,324	158,976
Line of credit	-	-
Total current liabilities before deferred income	<u>3,103,628</u>	<u>4,250,886</u>
Deferred income	9,660,563	11,534,070
Total current liabilities	<u>12,764,191</u>	<u>15,784,956</u>
Non-current Liabilities		
Other long-term obligations	17,921	13,612
Deferred Income	-	-
Total liabilities	<u>12,782,112</u>	<u>15,798,568</u>
Net assets		
Without donor restriction	21,718,274	19,163,014
With donor restrictions	2,644,970	2,596,284
Total net assets	<u>24,363,244</u>	<u>21,759,298</u>
Total liabilities and net assets	<u>\$ 37,145,356</u>	<u>\$ 37,557,866</u>

AORN, INC. AND SUBSIDIARIES

Combined Statements of Activities (Audited)

	For the Years Ended December 31,	
	2020	2019
Revenue		
Membership	\$ 4,605,176	\$ 5,300,274
Syntegrity	2,220,769	1,791,937
Annual Surgical Conference & Expo, includes Pfiedler	1,574,618	10,034,953
Education products, includes Pfiedler	8,227,744	9,990,372
Books	3,069,446	2,716,894
Leasing	484,462	482,541
Periodicals	1,332,297	1,309,826
Market Research	80,500	180,200
Center for Nursing Leadership	29,326	39,272
Outpatient surgery division	3,009,643	4,058,428
Contributions, sponsorships and special events, net	2,134,314	1,621,236
Other		
Total revenue	<u>26,768,295</u>	<u>37,525,933</u>
Expense		
Membership	2,518,048	2,746,471
Syntegrity	929,546	1,116,634
Annual Surgical Conference & Expo , includes Pfiedler	3,297,765	4,735,915
Education products, includes Pfiedler	4,376,217	5,512,198
Books	2,107,722	2,042,080
Leasing	509,493	565,134
Periodicals	1,019,214	843,379
Market Research	44,002	120,210
Center for Nursing Leadership	370,151	704,292
Education grants and scholarships (Foundation)	227,517	598,976
Outpatient surgery division	2,868,875	3,883,918
Fundraising (Foundation)	154,599	163,824
General and administrative	12,884,457	13,119,346
Total expenses	<u>31,307,606</u>	<u>36,152,377</u>
Change in net assets from operations	<u>(4,539,311)</u>	<u>1,373,556</u>
Non-operating income		
Investment income net	1,045,244	990,497
Loss on asset disposal	48	(3,246)
Total non-operating income	<u>1,045,292</u>	<u>987,251</u>
Change in net assets before income taxed	(3,494,019)	2,360,807
Income tax benefit	<u>(341,438)</u>	<u>(202,063)</u>
Refund of restricted contributions	(90,000)	-
EXPO cancellation insurance proceeds	6,529,403	-
Change in net assets	2,603,946	2,158,744
Net assets - beginning of year	5,066,184	-
Cumulative effect of ASC 606 adoption	-	2,907,440
Net assets - end of year	<u>\$ 7,670,130</u>	<u>\$ 5,066,184</u>

AORN INC. AND SUBSIDIARIES

Combined Statements of Cash Flows (Audited)

	For the Years Ended	
	December 31,	
	2020	2019
Cash flows from operating activities		
Change in net assets from continuing operations	\$ 2,603,946	\$ 2,158,744
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,252,157	1,145,981
Provision for doubtful accounts	(810)	30,453
Investment return	(1,045,244)	(990,497)
Contributions restricted for endowments	(7,618)	(18,561)
Loss on sale of fixed assets	(48)	3,246
Impairment of goodwill	750,000	-
Change in assets and liabilities		
Accounts receivable, promises to give and income taxes	(227,591)	(2,927)
Inventory, prepaid expenses and deposits	1,204,913	(34,071)
Accounts payable, accrued liabilities and scholarships payable	(1,142,949)	(147,587)
Deferred income	(1,873,507)	469,075
Net Cash provided by operating activities	1,513,249	2,613,856
Cash flows from investing activities		
Purchase of property and equipment	(796,352)	(740,619)
Net sales purchases of investments	(137,992)	(1,222,325)
Cash paid for business acquisition	-	-
Net cash (used in) investing activities	(934,344)	(1,962,944)
Cash flows from financing activities		
Contributions restricted for endowments	7,618	18,561
(Payment) Borrowing on line of credit	-	-
Issuance of notes receivable	-	-
Collection of notes receivable	-	166,664
Net Cash provided by financing activities of continuing operations	7,618	185,225
Net (decrease) increase in cash and cash equivalents	586,523	836,137
Cash and cash equivalents - beginning of year	7,642,634	6,806,497
Cash and cash equivalents - end of year	\$ 8,229,157	\$ 7,642,634