

AORN, INC. AND SUBSIDIARIES

Combined Statements of Financial Position (Audited)

	December 31,	
	2019	2018
Assets		
Current assets		
Cash and cash equivalents	\$ 7,642,634	\$ 6,806,497
Accounts receivable, net of allowance for doubtful accounts of \$128,367 (2018) and \$104,200 (2017)	2,648,883	2,374,360
Promises to give - current portion	636,001	913,050
Inventory	10,602	40,458
Prepaid expenses and deposits	2,329,995	2,317,418
Equity method investment		
Note Receivable	-	133,333
Total current assets	13,268,115	12,585,116
Property and equipment, net	5,514,755	5,527,372
Work in progress	408,090	689,682
Note receivable, non-current portion	-	33,331
Long-term prepaid expense, deposits and other	392,245	340,895
Investments	12,512,656	10,299,834
Promises to give - non-current portion	15,000	40,000
Intangible Assets	1,601,601	1,716,000
Goodwill, Net	3,845,404	3,845,404
Total Assets	\$ 37,557,866	\$ 35,077,634
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 4,091,910	\$ 3,883,440
Scholarships payable	158,976	118,571
Line of credit	-	-
Total current liabilities before deferred income	4,250,886	4,002,011
Deferred income	11,534,070	13,672,435
Total current liabilities	15,784,956	17,674,446
Non-current Liabilities		
Other long-term obligations	13,612	410,074
Deferred Income	-	300,000
Total liabilities	15,798,568	18,384,520
Net assets		
Without donor restriction	19,163,014	13,978,523
With donor restrictions	2,596,284	2,714,591
Total net assets	21,759,298	16,693,114
Total liabilities and net assets	\$ 37,557,866	\$ 35,077,634

AORN, INC. AND SUBSIDIARIES

Combined Statements of Activities (Audited)

	For the Years Ended December 31,	
	2019	2018
Revenue		
Membership	\$ 5,300,274	\$ 4,626,154
Syntegrity	1,791,937	1,424,292
Annual Surgical Conference & Expo, includes Pfiedler	10,034,953	9,063,706
Education products, includes Pfiedler	9,990,372	9,419,549
Books	2,716,894	2,328,954
Leasing	482,541	520,200
Periodicals	1,309,826	1,319,131
Market Research	180,200	245,125
Center for Nursing Leadership	39,272	62,265
Outpatient surgery division	4,058,428	3,134,296
Contributions, sponsorships and special events, net	1,621,236	2,371,771
Other		
Total revenue	<u>37,525,933</u>	<u>34,515,443</u>
Expense		
Membership	2,746,471	2,858,289
Syntegrity	1,116,634	914,787
Annual Surgical Conference & Expo , includes Pfiedler	4,735,915	4,577,192
Education products, includes Pfiedler	5,512,198	5,354,641
Books	2,042,080	1,802,103
Leasing	565,134	578,394
Periodicals	843,379	747,812
Market Research	120,210	173,159
Center for Nursing Leadership	704,292	713,695
Education grants and scholarships (Foundation)	598,976	720,979
Outpatient surgery division	3,883,918	2,791,278
Fundraising (Foundation)	163,824	182,630
General and administrative	13,119,346	12,016,474
Total expenses	<u>36,152,377</u>	<u>33,431,433</u>
Change in net assets from operations	<u>1,373,556</u>	<u>1,084,010</u>
Non-operating income		
Investment income net	990,497	(315,865)
Loss on asset disposal	(3,246)	-
Total non-operating income	<u>987,251</u>	<u>(315,865)</u>
Change in net assets before income taxed	2,360,807	768,145
Income tax benefit	<u>(202,063)</u>	<u>(149,542)</u>
Change in net assets	2,158,744	618,603
Net assets - beginning of year	16,693,114	16,074,511
Cumulative effect of ASC 606 adoption	2,907,440	
Net assets - end of year	<u>\$ 21,759,298</u>	<u>\$ 16,693,114</u>

AORN INC. AND SUBSIDIARIES

Combined Statements of Cash Flows (Audited)

	For the Years Ended	
	December 31,	
	2019	2018
Cash flows from operating activities		
Change in net assets from continuing operations	\$ 2,158,744	\$ 618,603
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,145,981	1,175,976
Provision for doubtful accounts	30,453	
Investment return	(990,497)	315,865
Contributions restricted for endowments	(18,561)	(40,303)
Loss on sale of fixed assets	3,246	-
Change in assets and liabilities		
Accounts receivable, promises to give and income taxes	(2,927)	(1,249,770)
Inventory, prepaid expenses and deposits	(34,071)	(210,387)
Accounts payable, accrued liabilities and scholarships payable	(147,587)	688,814
Deferred income	469,075	1,287,785
Net Cash provided by operating activities	2,613,856	2,586,583
 Cash flows from investing activities		
Purchase of property and equipment	(740,619)	(1,673,509)
Net sales purchases of investments	(1,222,325)	2,922,603
Cash paid for business acquisition	-	(3,579,000)
Net cash (used in) investing activities	(1,962,944)	(2,329,906)
 Cash flows from financing activities		
Contributions restricted for endowments	18,561	40,303
(Payment) Borrowing on line of credit	-	-
Issuance of notes receivable	-	-
Collection of notes receivable	166,664	133,336
Net Cash provided by financing activities of continuing operations	185,225	173,639
 Net (decrease) increase in cash and cash equivalents	836,137	430,316
 Cash and cash equivalents - beginning of year	6,806,497	6,376,181
 Cash and cash equivalents - end of year	\$ 7,642,634	\$ 6,806,497