

AORN, Inc. and Subsidiaries
Combined Statements of Financial Position

	December 31,	
Assets	2008	2007
Current assets		
Cash and cash equivalents	\$ 1,202,343	\$ 1,173,774
Accounts receivable, net of allowance for doubtful accounts of \$45,720	1,358,085	1,183,850
Promises to give - current portion	137,750	203,326
Inventory	122,698	201,194
Prepaid expenses and deposits	2,264,232	1,773,958
Income taxes receivable	83,931	83,931
Total current assets	5,169,039	4,620,033
Property and equipment, net	5,449,696	4,844,258
Work in progress	1,807,427	284,205
Investments	5,436,939	8,769,697
Total assets	17,863,101	18,518,193
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	2,628,527	1,990,555
Scholarships payable	126,850	123,701
Total current liabilities before deferred income	2,755,377	2,114,256
Deferred income	8,392,670	8,201,937
Total current liabilities	11,148,047	10,316,193
Commitments		
Net assets		
Unrestricted	5,464,435	7,239,697
Temporarily restricted	400,529	459,772
Permanently restricted	850,090	502,531
Total net assets	6,715,054	8,202,000
Total liabilities and net assets	17,863,101	18,518,193

AORN, Inc. and Subsidiaries
Combined Statements of Financial Activities

	December 31,	
	2008	2007
Revenue		
Membership	3,389,125	3,300,344
Perioperative Nursing Data Set	27,358	46,550
International	98,648	661,163
Congress	8,385,471	8,359,985
Events	883,549	639,058
Education products	2,223,087	1,462,736
Books	1,788,407	1,613,639
Leasing	494,649	524,910
Periodicals	2,311,370	2,144,220
AORN funded initiatives	458	-
Professional staffing and consulting (AORN Works Inc.)	2,633,021	1,581,155
Contributions, sponsorships and special events, net of special event expenses of \$97,856 (2008) and \$0 (2007)	745,729	448,911
Other	584,017	483,127
Total revenue	23,564,889	21,265,798
Expenses		
Membership	3,355,151	3,558,842
Perioperative Nursing Data Set	292,202	312,377
International	26,674	626,819
Congress	3,859,182	3,815,470
Events	1,073,618	758,087
Education products	1,248,141	1,078,750
Books	1,431,493	1,276,225
Leasing	468,413	347,685
Periodicals	1,060,143	1,122,716
AORN funded initiatives	-	6,443
Professional staffing and consulting (AORN Works Inc.)	2,442,762	1,452,322
Education and scholarships	276,887	264,872
Fundraising	161,374	109,988
Other	169,232	144,215
General and administrative	7,762,076	6,692,799
Total expenses	23,627,348	21,567,610
Change in net assets from operations before income taxes	(62,459)	(301,812)
Income tax (expense) benefit	(20,506)	(3,227)
Change in net assets from operations	(82,965)	(305,039)
Investment income, net	(1,389,200)	562,480
Loss on asset disposal	(14,781)	127
Change in net assets	(1,486,946)	257,568
Net assets - beginning of year	8,202,000	7,944,432
Net assets - end of year	6,715,054	8,202,000

AORN, Inc. and Subsidiaries
Combined Statements of Cash Flows

	December 31,	
	2008	2007
Cash flows from operating activities		
Change in net assets	<u>\$ (1,486,946)</u>	<u>\$ 257,568</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,040,637	725,926
Amortization of bond discounts	4,725	5,594
Bad debt provision	67,847	41,224
Realized (gain) on sale of investments	483,428	(194,830)
Unrealized (gain) loss on investments	1,112,424	(99,134)
Loss on disposal of property and equipment	14,781	(127)
Contributions restricted for endowments	(347,559)	(33,705)
Change in assets and liabilities		
Accounts receivable, promises to give and income taxes	(176,506)	336,795
Inventory, prepaid expenses and deposits	(582,271)	(17,787)
Accounts payable, accrued liab. and scholarships payable	641,121	309,649
Deferred income	190,733	(70,989)
	<u>2,449,360</u>	<u>1,002,616</u>
Net cash provided by operating activities	<u>962,414</u>	<u>1,260,184</u>
Cash flows from investing activities		
Purchase of property and equipment	(3,013,585)	(1,020,170)
Proceeds from sale of property and equipment	-	3,247
Net purchases of investments	1,732,181	(213,085)
Net cash (used in) investing activities	<u>(1,281,404)</u>	<u>(1,230,008)</u>
Cash flows from financing activities		
Contributions restricted for endowments	347,559	33,705
Net cash provided by financing activities	<u>347,559</u>	<u>33,705</u>
Net increase (decrease) in cash and cash equivalents	28,569	63,881
Cash and cash equivalents - beginning of year	<u>1,173,774</u>	<u>1,109,893</u>
Cash and cash equivalents -end of year	<u>1,202,343</u>	<u>1,173,774</u>