

AORN, INC. AND SUBSIDIARIES

Combined Statements of Financial Position (Audited)

	December 31,	
Assets	2017	2016
Current assets		
Cash and cash equivalents	\$ 6,376,181	\$ 6,911,042
Accounts receivable, net of allowance for doubtful accounts of \$104,200 (2017) and \$65,000 (2016)	1,673,774	2,145,016
Promises to give - current portion	358,866	1,047,645
Inventory	25,767	52,113
Prepaid expenses and deposits	2,078,001	2,310,241
Equity method investment		-
Note Receivable	133,333	-
Total current assets	10,645,922	12,466,057
Property and equipment, net	5,043,503	5,591,494
Work in progress	676,018	43,032
Note receivable, non-current portion	166,667	-
Long-term prepaid expense, deposits and other	1,597,364	1,224,604
Investments	13,538,302	12,342,222
Promises to give - non-current portion	45,000	266,800
Goodwill, Net		
Total Assets	\$ 31,712,776	\$ 31,934,209
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 2,758,592	\$ 2,683,623
Scholarships payable	178,216	135,987
Line of credit	-	400,000
Total current liabilities before deferred income	2,936,808	3,219,610
Deferred income	12,284,650	12,395,636
Total current liabilities	15,221,458	15,615,246
Non-current Liabilities		
Other long-term obligations	16,807	516,810
Deferred Income	400,000	50,375
Total liabilities	15,638,265	16,182,431
Net assets		
Unrestricted	13,162,060	12,703,731
Temporary restricted	855,748	1,080,341
Permanently restricted	2,056,703	1,967,706
Total net assets	16,074,511	15,751,778
Total liabilities and net assets	\$ 31,712,776	\$ 31,934,209

AORN, INC. AND SUBSIDIARIES

Combined Statements of Activities (Audited)

	For the Years Ended	
	December 31,	
	2017	2016
Revenue		
Membership	\$ 4,924,371	\$ 4,993,793
Syntegrity	1,342,107	1,531,840
Annual Surgical Conference & Expo, includes Pfiedler	9,255,074	8,478,138
Education products, includes Pfiedler	9,188,197	9,170,346
Books	2,158,336	2,290,695
Leasing	507,024	515,023
Periodicals	1,199,501	1,386,679
Market Research	236,000	234,250
Center for Nursing Leadership	61,495	98,400
Contributions, sponsorships and special events, net of special event expenses of \$44,958 (2017) and \$50,022 (2016)	1,282,013	2,027,747
Other		
Total revenue	30,154,118	30,726,911
Expense		
Membership	2,757,556	2,609,335
Syntegrity	1,282,497	1,064,127
Annual Surgical Conference & Expo , includes Pfiedler	4,926,107	4,842,632
Education products, includes Pfiedler	5,270,490	5,624,428
Books	1,646,969	1,831,193
Leasing	568,647	594,428
Periodicals	690,518	749,772
Market Research	160,946	201,977
Center for Nursing Leadership	1,067,505	900,603
Education grants and scholarships (Foundation)	733,251	558,240
Fundraising (Foundation)	135,622	136,154
General and administrative	11,721,162	11,352,872
Total expenses	30,961,270	30,465,761
Change in net assets from operations	(807,152)	261,150
Non-operating income		
Investment income net	1,160,881	977,674
Loss on asset disposal	2,063	(6,494)
Total non-operating income	1,162,944	971,180
Change in net assets before income taxed	355,792	1,232,330
Income tax benefit	(33,059)	(800)
Change in net assets	322,733	1,231,530
Net assets - beginning of year	15,751,778	14,520,248
Net assets - end of year	\$ 16,074,511	\$ 15,751,778

AORN INC. AND SUBSIDIARIES

Combined Statements of Cash Flows (Audited)

	For the Years Ended	
	December 31,	
	2017	2016
Cash flows from operating activities		
Change in net assets from continuing operations	\$ 322,733	\$ 1,231,530
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,140,271	1,330,190
Provision for doubtful accounts	4,200	35,000
Realized gain on sale of investments	(152,273)	260,526
Unrealized loss (gain) on investments	(612,549)	(809,613)
Realized gain on sale of equity investments	-	(171,630)
Loss on disposal of property and equipment	(2,063)	6,494
Contributions restricted for endowments	(88,997)	(79,761)
Change in assets and liabilities		
Accounts receivable, promises to give and income taxes	1,377,621	(83,720)
Inventory, prepaid expenses and deposits	(114,174)	(164,485)
Accounts payable, accrued liabilities and scholarships payable	(382,805)	190,029
Deferred income	238,639	1,255,211
Net Cash provided by operating activities	1,730,603	2,999,771
Cash flows from investing activities		
Purchase of property and equipment	(1,223,203)	(1,266,076)
Net sales purchases of investments	(431,258)	(325,114)
Proceeds from sale of equity investments	-	600,000
Net cash (used in) investing activities	(1,654,461)	(991,190)
Cash flows from financing activities		
Contributions restricted for endowments	88,997	79,761
(Payment) Borrowing on line of credit	(400,000)	400,000
Issuance of notes receivable	(300,000)	-
Collection of notes receivable	-	250,000
Net Cash provided by financing activities of continuing operations	(611,003)	729,761
Net (decrease) increase in cash and cash equivalents	(534,861)	2,738,342
Cash and cash equivalents - beginning of year	6,911,042	4,172,700
Cash and cash equivalents - end of year	\$ 6,376,181	\$ 6,911,042