

AORN, INC. AND SUBSIDIARIES

Combined Statements of Financial Position (Audited)

	December 31,	
	2018	2017
Assets		
Current assets		
Cash and cash equivalents	\$ 6,806,497	\$ 6,376,181
Accounts receivable, net of allowance for doubtful accounts of \$128,367 (2018) and \$104,200 (2017)	2,374,360	1,673,774
Inventory	40,458	25,767
Promises to give - current portion	913,050	358,866
Prepaid expenses and deposits	2,317,418	2,078,001
Note Receivable	133,333	133,333
Total current assets	12,585,116	10,645,922
Property and equipment, net	5,527,372	5,043,503
Note receivable, non-current portion	33,331	166,667
Goodwill	3,845,404	1,212,748
Intangible Assets	1,716,000	
Work in progress	689,682	676,018
Long-term prepaid expense, deposits and other	340,895	384,616
Investments	10,299,834	13,538,302
Promises to give - non-current portion	40,000	45,000
Total Assets	\$ 35,077,634	\$ 31,712,776
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,883,440	\$ 2,758,592
Scholarships payable	118,571	178,216
Line of credit	-	-
Total current liabilities before deferred income	4,002,011	2,936,808
Deferred income	13,672,435	12,284,650
Total current liabilities	17,674,446	15,221,458
Non-current Liabilities		
Other long-term obligations	410,074	16,807
Deferred Income	300,000	400,000
Total liabilities	18,384,520	15,638,265
Net assets		
Without donor restriction	13,978,523	13,162,060
With donor restrictions	2,714,591	2,912,451
Total net assets	16,693,114	16,074,511
Total liabilities and net assets	\$ 35,077,634	\$ 31,712,776

AORN, INC. AND SUBSIDIARIES

Combined Statements of Activities (Audited)

	For the Years Ended	
	December 31,	
	2018	2017
Revenue		
Membership	\$ 4,626,154	\$ 4,924,371
Syntegrity	1,424,292	1,342,107
Annual Surgical Conference & Expo, includes Pfiedler	9,063,706	9,255,074
Education products, includes Pfiedler	9,419,549	9,188,197
Books	2,328,954	2,158,336
Leasing	520,200	507,024
Periodicals	1,319,131	1,199,501
Market Research	245,125	236,000
Center for Nursing Leadership	62,265	61,495
Outpatient surgery division	3,134,296	-
Contributions, sponsorships and special events, net of special events - Net	2,371,771	1,282,013
Investment (loss) income - Net	(315,865)	1,160,881
Net assets released from restrictions	-	-
Total revenue	<u>34,199,578</u>	<u>31,314,999</u>
Expense		
Membership	2,858,289	2,757,556
Syntegrity	914,787	1,282,497
Annual Surgical Conference & Expo , includes Pfiedler	4,577,192	4,926,107
Education products, includes Pfiedler	5,354,641	5,270,490
Books	1,802,103	1,646,969
Leasing	578,394	568,647
Periodicals	747,812	690,518
Market Research	173,159	160,946
Center for Nursing Leadership	713,695	1,067,505
Education grants and scholarships (Foundation)	720,979	733,251
Outpatient surgery division	2,791,278	-
Fundraising (Foundation)	182,630	135,622
General and administrative	12,016,474	11,721,162
Total expenses	<u>33,431,433</u>	<u>30,961,270</u>
Change in net assets from operations	<u>768,145</u>	<u>353,729</u>
Other Items		
Federal income tax	(149,542)	(33,059)
Gain on asset disposal	-	2,063
Total other items	<u>(149,542)</u>	<u>(30,996)</u>
Increase (Decrease) in Net Assets	618,603	322,733
Net assets - beginning of year	16,074,511	15,751,778
Net assets - end of year	<u>\$ 16,693,114</u>	<u>\$ 16,074,511</u>

AORN INC. AND SUBSIDIARIES

Combined Statements of Cash Flows (Audited)

	For the Years Ended December 31,	
	2018	2017
Cash flows from operating activities		
Change in net assets from continuing operations	\$ 618,603	\$ 322,733
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,175,976	1,140,271
Realized loss (gain) on sale of investments	1,089,966	(152,273)
Unrealized loss (gain) on investments	(218,447)	(612,549)
Gain on disposal of property and equipment	-	(2,063)
Contributions restricted for endowments	(40,303)	(88,997)
Change in assets and liabilities		
Accounts receivable, promises to give and income taxes	(1,249,770)	1,381,821
Inventory, prepaid expenses and deposits	(210,387)	(114,174)
Accounts payable, accrued liabilities and scholarships payable	688,814	(382,805)
Deferred income	1,287,785	238,639
Net Cash provided by operating activities	3,142,237	1,730,603
 Cash flows from investing activities		
Purchase of property and equipment	(1,673,509)	(1,223,203)
Net sales (purchases) of investments	2,366,949	(431,258)
Cash paid for business acquisition	(3,579,000)	-
Net cash (used in) investing activities	(2,885,560)	(1,654,461)
 Cash flows from financing activities		
Contributions restricted for endowments	40,303	88,997
(Payments) Borrowing on line of credit	-	(400,000)
Issuance of note receivable	-	(300,000)
Collection of notes receivable	133,336	-
Net Cash provided by financing activities of continuing operations	173,639	(611,003)
 Net (decrease) increase in cash and cash equivalents	430,316	(534,861)
 Cash and cash equivalents - beginning of year	6,376,181	6,911,042
 Cash and cash equivalents - end of year	\$ 6,806,497	\$ 6,376,181