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## Independent Auditor's Report

To the Board of Trustees  
AORN Foundation

We have audited the accompanying financial statements of AORN Foundation (the "Foundation"), which comprise the statement of financial position as of December 31, 2020 and 2019 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AORN Foundation as of December 31, 2020 and 2019 and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Plante & Moran, PLLC*

June 7, 2021

## Statement of Financial Position

December 31, 2020 and 2019

	2020	2019
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,118,219	\$ 1,515,276
Promises to give	1,219,275	616,001
Prepaid expenses and other	9,417	44,666
Total current assets	2,346,911	2,175,943
<b>Investments</b>	4,203,568	3,814,194
<b>Long-term Promises to Give</b>	17,000	15,000
Total noncurrent assets	4,220,568	3,829,194
Total assets	<u>\$ 6,567,479</u>	<u>\$ 6,005,137</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable, accrued expenses, and refundable advances	\$ 1,788,978	\$ 1,108,771
Scholarships payable	90,324	158,976
Total liabilities	1,879,302	1,267,747
<b>Net Assets</b>		
Without donor restrictions	1,863,207	1,610,106
With donor restrictions	2,824,970	3,127,284
Total net assets	4,688,177	4,737,390
Total liabilities and net assets	<u>\$ 6,567,479</u>	<u>\$ 6,005,137</u>

## Statement of Activities and Changes in Net Assets

Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Gains, and Other Support</b>						
General contributions	\$ 396,432	\$ -	\$ 396,432	\$ 464,988	\$ -	\$ 464,988
Education and scholarship contributions	-	144,471	144,471	-	813,338	813,338
AORN-funded initiatives	-	1,663,400	1,663,400	-	884,500	884,500
In-kind contributions	61,038	45,030	106,068	69,166	45,030	114,196
Special event revenue - Net	11,419	-	11,419	74,384	-	74,384
Investment return - Net	182,807	142,373	325,180	206,749	89,214	295,963
Net assets released from restrictions	1,856,588	(1,856,588)	-	1,419,389	(1,419,389)	-
Total revenue, gains, and other support	2,508,284	138,686	2,646,970	2,234,676	412,693	2,647,369
<b>Expenses</b>						
Program services:						
Education and scholarships	445,022	-	445,022	645,005	-	645,005
AORN-funded initiatives	1,663,400	-	1,663,400	884,500	-	884,500
Support services:						
Management and general	124,064	-	124,064	210,566	-	210,566
Fundraising	154,599	-	154,599	163,824	-	163,824
Total expenses	2,387,085	-	2,387,085	1,903,895	-	1,903,895
<b>Increase in Net Assets - Before other items</b>	121,199	138,686	259,885	330,781	412,693	743,474
<b>Other Items</b>						
Expo cancellation insurance proceeds	131,902	-	131,902	-	-	-
Refunded restricted contributions	-	(441,000)	(441,000)	-	-	-
<b>Increase (Decrease) in Net Assets</b>	253,101	(302,314)	(49,213)	330,781	412,693	743,474
<b>Net Assets - Beginning of year</b>	1,610,106	3,127,284	4,737,390	1,279,325	2,714,591	3,993,916
<b>Net Assets - End of year</b>	<b>\$ 1,863,207</b>	<b>\$ 2,824,970</b>	<b>\$ 4,688,177</b>	<b>\$ 1,610,106</b>	<b>\$ 3,127,284</b>	<b>\$ 4,737,390</b>

See notes to financial statements.

## Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services		Support Services		Total
	Education and Scholarships	AORN-funded Initiatives	Management and General	Fundraising	
Personnel	\$ 96,630	\$ -	\$ 45,448	\$ 147,842	\$ 289,920
Property operation and maintenance	-	-	11,076	-	11,076
Stationary and supplies	-	-	576	-	576
Telephone	-	-	60	-	60
Postage	-	-	416	-	416
Professional fees	-	-	30,363	-	30,363
Funded initiatives	-	1,663,400	-	-	1,663,400
Scholarships and grants	348,392	-	-	-	348,392
Fundraising	-	-	-	6,757	6,757
Miscellaneous	-	-	36,125	-	36,125
Special events - Cost of direct benefit to donors	-	-	-	15,149	15,149
Total functional expenses	<u>\$ 445,022</u>	<u>\$ 1,663,400</u>	<u>\$ 124,064</u>	<u>\$ 169,748</u>	<u>\$ 2,402,234</u>

## Statement of Functional Expenses

Year Ended December 31, 2019

	Program Services		Support Services		Total
	Education and Scholarships	AORN-funded Initiatives	Management and General	Fundraising	
Personnel	\$ 87,888	\$ -	\$ 79,560	\$ 152,988	\$ 320,394
Property operation and maintenance	-	-	11,076	-	11,076
Stationery and supplies	-	-	160	-	160
Telephone	-	-	26,477	-	26,477
Travel/Meals	-	-	603	-	603
Postage	-	-	869	-	869
Professional fees	-	-	29,359	-	29,359
Funded initiatives	-	884,500	-	-	884,500
Scholarships and grants	557,139	-	-	-	557,139
Fundraising	-	-	-	10,856	10,856
Miscellaneous	-	-	62,462	-	62,462
Special events - Cost of direct benefit to donors	-	-	-	56,827	56,827
Total functional expenses	\$ 645,005	\$ 884,500	\$ 210,566	\$ 220,651	\$ 1,960,722

## Statement of Cash Flows

Years Ended December 31, 2020 and 2019

	2020	2019
<b>Cash Flows from Operating Activities</b>		
(Decrease) increase in net assets	\$ (49,213)	\$ 743,474
Adjustments to reconcile (decrease) increase in net assets to net cash from operating activities:		
Investment return	(325,180)	(295,963)
Contributions restricted for endowments	(7,618)	(18,561)
Bad debt (recoveries) expense	(10,000)	20,000
Changes in operating assets and liabilities that (used) provided cash:		
Promises to give	(595,274)	302,049
Prepaid expenses and other	35,249	1,639
Accounts payable, accrued expenses, and refundable advances	680,207	209,863
Scholarship payable	(68,652)	40,405
Net cash (used in) provided by operating activities	(340,481)	1,002,906
<b>Cash Flows Used in Investing Activities - Purchases of investments</b>	(64,194)	(58,041)
<b>Cash Flows Provided by Financing Activities - Contributions restricted for endowments</b>	7,618	18,561
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(397,057)	963,426
<b>Cash and Cash Equivalents - Beginning of year</b>	1,515,276	551,850
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 1,118,219</b>	<b>\$ 1,515,276</b>