



Plante & Moran, PLLC

Suite 600
8181 E. Tufts Avenue
Denver, CO 80237
Tel: 303.740.9400
Fax: 303.740.9009
plantemoran.com

Independent Auditor's Report

To the Board of Trustees
AORN Foundation

Opinion

We have audited the financial statements of AORN Foundation (the "Foundation"), which comprise the statement of financial position as of December 31, 2022 and 2021 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022 and 2021 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Trustees
AORN Foundation

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

June 21, 2023

Statement of Financial Position

	December 31, 2022 and 2021	
	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,019,898	\$ 1,044,502
Related party receivables	-	150,000
Promises to give	410,900	214,045
Prepaid expenses and other	11,100	18,994
Total current assets	1,441,898	1,427,541
Investments	4,400,648	4,755,263
Long-term Promises to Give	10,000	10,000
Total noncurrent assets	4,410,648	4,765,263
Total assets	<u>\$ 5,852,546</u>	<u>\$ 6,192,804</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable, accrued expenses, and refundable advances	\$ 575,454	\$ 1,031,689
Scholarships payable	204,937	154,085
Total liabilities	780,391	1,185,774
Net Assets		
Without donor restrictions	1,959,109	2,025,853
With donor restrictions	3,113,046	2,981,177
Total net assets	5,072,155	5,007,030
Total liabilities and net assets	<u>\$ 5,852,546</u>	<u>\$ 6,192,804</u>

Statement of Activities and Changes in Net Assets

Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
General financial contributions	\$ 483,516	\$ -	\$ 483,516	\$ 275,438	\$ -	\$ 275,438
Education and scholarship financial contributions	-	1,004,768	1,004,768	-	294,751	294,751
AORN-funded initiatives	-	1,299,040	1,299,040	-	968,972	968,972
Nonfinancial contributions	30,966	50,870	81,836	37,476	87,010	124,486
Special event revenue - Net	52,166	-	52,166	13,537	-	13,537
Investment return - Net	(197,086)	(157,477)	(354,563)	239,654	101,007	340,661
Net assets released from restrictions	2,065,332	(2,065,332)	-	1,295,533	(1,295,533)	-
Total revenue, gains, and other support	2,434,894	131,869	2,566,763	1,861,638	156,207	2,017,845
Expenses						
Program services:						
Education and scholarships	900,278	-	900,278	448,801	-	448,801
AORN-funded initiatives	1,299,040	-	1,299,040	968,972	-	968,972
Support services:						
Management and general	127,945	-	127,945	119,977	-	119,977
Fundraising	174,375	-	174,375	161,242	-	161,242
Total expenses	2,501,638	-	2,501,638	1,698,992	-	1,698,992
(Decrease) Increase in Net Assets	(66,744)	131,869	65,125	162,646	156,207	318,853
Net Assets - Beginning of year	2,025,853	2,981,177	5,007,030	1,863,207	2,824,970	4,688,177
Net Assets - End of year	\$ 1,959,109	\$ 3,113,046	\$ 5,072,155	\$ 2,025,853	\$ 2,981,177	\$ 5,007,030

AORN Foundation

Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services		Support Services		Total
	Education and Scholarships	AORN-funded Initiatives	Management and General	Fundraising	
Personnel	\$ 133,986	\$ -	\$ 49,838	\$ 168,577	\$ 352,401
Property operation and maintenance	-	-	3,692	-	3,692
Stationery and supplies	-	-	631	-	631
Travel	-	-	8,824	-	8,824
Postage	-	-	984	-	984
Professional fees	-	-	22,737	-	22,737
Funded initiatives	-	1,299,040	-	-	1,299,040
Scholarships and grants	766,292	-	-	-	766,292
Fundraising	-	-	-	5,798	5,798
Miscellaneous	-	-	41,239	-	41,239
Total	900,278	1,299,040	127,945	174,375	2,501,638
Special events - Cost of direct benefit to donors	-	-	-	29,634	29,634
Total functional expenses	\$ 900,278	\$ 1,299,040	\$ 127,945	\$ 204,009	\$ 2,531,272

AORN Foundation

Statement of Functional Expenses

Year Ended December 31, 2021

	Program Services		Support Services		Total
	Education and Scholarships	AORN-funded Initiatives	Management and General	Fundraising	
Personnel	\$ 122,240	\$ -	\$ 48,121	\$ 153,799	\$ 324,160
Property operation and maintenance	-	-	11,076	-	11,076
Stationery and supplies	-	-	242	-	242
Telephone	-	-	16,019	-	16,019
Funded initiatives	-	968,972	-	-	968,972
Scholarships and grants	326,561	-	-	-	326,561
Fundraising	-	-	-	7,443	7,443
Miscellaneous	-	-	44,519	-	44,519
Total	448,801	968,972	119,977	161,242	1,698,992
Special events - Cost of direct benefit to donors	-	-	-	679	679
Total functional expenses	\$ 448,801	\$ 968,972	\$ 119,977	\$ 161,921	\$ 1,699,671

Statement of Cash Flows

Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Increase in net assets	\$ 65,125	\$ 318,853
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Net realized and unrealized loss (gain) on investments	463,806	(149,194)
Contributions restricted for endowments	(141,357)	(191,074)
Changes in operating assets and liabilities that provided (used) cash:		
Related party receivables	150,000	(150,000)
Promises to give	(196,855)	1,012,230
Prepaid expenses and other	7,894	(9,577)
Accounts payable, accrued expenses, and refundable advances	(456,235)	(757,289)
Scholarship payable	50,852	63,761
Net cash (used in) provided by operating activities	(56,770)	137,710
Cash Flows from Investing Activities		
Purchases of investments	(198,734)	(402,501)
Sales of investments	89,543	-
Net cash used in investing activities	(109,191)	(402,501)
Cash Flows Provided by Financing Activities - Contributions restricted for endowments	141,357	191,074
Net Decrease in Cash and Cash Equivalents	(24,604)	(73,717)
Cash and Cash Equivalents - Beginning of year	1,044,502	1,118,219
Cash and Cash Equivalents - End of year	<u>\$ 1,019,898</u>	<u>\$ 1,044,502</u>