

AORN, INC. AND SUBSIDIARIES

Combined Statements of Financial Position (Audited)

| | December 31, | |
|--|----------------------|----------------------|
| | 2025 | 2024 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 5,502,509 | \$ 3,651,116 |
| Short-term investments | \$ 12,051,737 | \$ 14,958,292 |
| Accounts receivable, net of allowance for doubtful accounts of \$184,087 (2025) and \$207,996.12 (2024) | 2,282,959 | 3,230,964 |
| Promises to give - current portion | 922,996 | 493,500 |
| Inventory | 17,705 | 19,939 |
| Prepaid expenses and deposits | 3,126,893 | 3,576,888 |
| Total current assets | <u>23,904,799</u> | <u>25,930,699</u> |
| Property and equipment, net | 1,321,253 | 2,002,533 |
| Right-of-use operating lease assets | 964,906 | 1,694,777 |
| Work in progress | 76,800 | 39,047 |
| Long-term prepaid expense, deposits and other | 286,112 | 128,707 |
| Investments | 25,213,369 | 22,840,464 |
| Promises to give - non-current portion | 197,500 | 112,500 |
| Intangible Assets | - | 130,800 |
| Goodwill, Net | 1,212,748 | 3,095,404 |
| Total Assets | <u>\$ 53,177,487</u> | <u>\$ 55,974,931</u> |
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 3,040,733 | \$ 3,459,920 |
| Scholarships payable | 306,730 | 193,552 |
| Operating lease liabilities (current portion) | 714,130 | 764,197 |
| Total current liabilities before deferred income | <u>4,061,593</u> | <u>4,417,669</u> |
| Deferred income | 9,476,049 | 10,320,620 |
| Total current liabilities | <u>13,537,642</u> | <u>14,738,289</u> |
| Non-current Liabilities | | |
| Operating lease liabilities (non-current portion) | 325,916 | 1,000,110 |
| Other long-term obligations | 59,820 | 26,561 |
| Total liabilities | <u>13,923,378</u> | <u>15,764,960</u> |
| Net assets | | |
| Without donor restriction | 35,779,817 | 36,933,891 |
| With donor restrictions | 3,474,292 | 3,276,080 |
| Total net assets | <u>39,254,109</u> | <u>40,209,971</u> |
| Total liabilities and net assets | <u>\$ 53,177,487</u> | <u>\$ 55,974,931</u> |

AORN, INC. AND SUBSIDIARIES

Combined Statements of Activities (Audited)

| | For the Years Ended December 31, | |
|---|-------------------------------------|---------------|
| | 2025 | 2024 |
| Revenue | | |
| Membership | \$ 3,572,188 | \$ 3,652,094 |
| Syntegrity | 2,195,460 | 2,469,372 |
| Annual Surgical Conference & Expo | 7,510,944 | 7,519,412 |
| Education products | 11,039,502 | 10,023,589 |
| Pfiedler Education | 3,305,223 | 3,532,635 |
| Books | 3,655,855 | 3,242,846 |
| Periodicals | 700,794 | 694,376 |
| Center for perioperative leadership | 113,406 | 49,197 |
| Outpatient surgery division | 1,503,337 | 3,112,265 |
| Contributions, sponsorships and special events, net | 2,773,671 | 2,350,961 |
| Other | | |
| Total revenue | 36,370,380 | 36,646,747 |
| Expense | | |
| Membership | 3,408,001 | 3,683,974 |
| Syntegrity | 1,187,413 | 1,185,827 |
| Annual Surgical Conference & Expo | 5,730,117 | 5,206,188 |
| Education products | 3,314,338 | 2,951,268 |
| Pfiedler Education | 2,914,552 | 3,253,760 |
| Books | 2,356,603 | 2,667,166 |
| Periodicals | 1,201,632 | 1,267,016 |
| Center for perioperative leadership | 536,373 | 543,404 |
| Education grants and scholarships (Foundation) | 835,246 | 1,036,994 |
| Outpatient surgery division | 1,841,701 | 3,123,957 |
| Fundraising (Foundation) | 209,102 | 172,165 |
| General and administrative | 14,657,681 | 14,352,294 |
| Total expenses | 38,192,759 | 39,444,013 |
| Change in net assets from operations | (1,822,379) | (2,797,266) |
| Non-operating income | | |
| Investment income net | 3,077,418 | 3,015,195 |
| Loss on asset disposal | (11,087) | - |
| Total non-operating income | 3,066,331 | 3,015,195 |
| Change in net assets before income taxed | 1,243,952 | 217,929 |
| Impairment of intangible assets | (2,006,191) | - |
| Income tax benefit | (193,623) | (285,588) |
| Change in net assets | (955,862) | (67,659) |
| Net assets - beginning of year | 40,209,971 | 40,277,630 |
| Net assets - end of year | \$ 39,254,109 | \$ 40,209,971 |

AORN INC. AND SUBSIDIARIES

Combined Statements of Cash Flows (Audited)

| | For the Years Ended | |
|--|---------------------|--------------|
| | December 31, | |
| | 2025 | 2024 |
| Cash flows from operating activities | | |
| Increase in net assets | \$ (955,862) | \$ (67,659) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Depreciation and amortization | 743,203 | 820,572 |
| Realized and unrealized (gains) losses on investments | (1,302,769) | (1,032,214) |
| Contributions restricted for endowments | (155,757) | (75,469) |
| (Gain) Loss on sale of fixed assets | 11,087 | - |
| Impairment of intangible assets | 2,006,191 | - |
| Non-cash lease expense | 5,610 | 12,815 |
| Change in assets and liabilities | | |
| Accounts receivable, promises to give and income taxes | 433,509 | 32,718 |
| Inventory, prepaid expenses and deposits | 294,824 | (659,521) |
| Accounts payable, accrued liabilities, scholarships payable and long-term liabilities | (272,750) | (673,147) |
| Deferred income | (844,571) | (552,569) |
| Net Cash provided by operating activities | (37,285) | (2,194,474) |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (103,498) | (374,192) |
| Purchases of investments | (2,200,081) | (2,167,640) |
| Sales of investments | 4,036,500 | 3,834,225 |
| Net cash (used in) investing activities | 1,732,921 | 1,292,393 |
| Cash flows from financing activities | | |
| Contributions restricted for endowments | 155,757 | 75,469 |
| Net Cash provided by financing activities of continuing operations | 155,757 | 75,469 |
| Net (decrease) increase in cash and cash equivalents | 1,851,393 | (826,612) |
| Cash and cash equivalents - beginning of year | 3,651,116 | 4,477,728 |
| Cash and cash equivalents - end of year | \$ 5,502,509 | \$ 3,651,116 |