

AORN, INC. AND SUBSIDIARIES

Combined Statements of Financial Position (Audited)

	December 31,	
	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 6,562,776	\$ 8,229,157
Accounts receivable, net of allowance for doubtful accounts of \$148,941 (2021) and \$100,000 (2020)	3,711,416	2,282,010
Promises to give - current portion	224,045	1,229,275
Inventory	127,147	31,715
Prepaid expenses and deposits	2,075,205	1,366,775
Equity method investment		
Note Receivable	-	-
Total current assets	<u>12,700,589</u>	<u>13,138,932</u>
Property and equipment, net	4,124,081	5,433,088
Work in progress	194,415	148,400
Note receivable, non-current portion	-	-
Long-term prepaid expense, deposits and other	235,736	129,439
Investments	22,384,456	13,695,892
Promises to give - non-current portion	10,000	17,000
Intangible Assets	1,372,801	1,487,201
Goodwill, Net	<u>3,095,404</u>	<u>3,095,404</u>
Total Assets	<u>\$ 44,117,482</u>	<u>\$ 37,145,356</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,214,554	\$ 3,013,304
Scholarships payable	154,085	90,324
Line of credit	-	-
Total current liabilities before deferred income	<u>3,368,639</u>	<u>3,103,628</u>
Deferred income	11,615,423	9,660,563
Total current liabilities	<u>14,984,062</u>	<u>12,764,191</u>
Non-current Liabilities		
Other long-term obligations	23,434	17,921
Deferred Income	-	-
Total liabilities	<u>15,007,496</u>	<u>12,782,112</u>
Net assets		
Without donor restriction	26,188,809	21,718,274
With donor restrictions	2,921,177	2,644,970
Total net assets	<u>29,109,986</u>	<u>24,363,244</u>
Total liabilities and net assets	<u>\$ 44,117,482</u>	<u>\$ 37,145,356</u>

AORN, INC. AND SUBSIDIARIES

Combined Statements of Activities (Audited)

	For the Years Ended	
	December 31,	
	2021	2020
Revenue		
Membership	\$ 4,298,111	\$ 4,605,176
Syntegrity	2,237,095	2,220,769
Annual Surgical Conference & Expo, includes Pfiedler	1,187,920	1,574,618
Education products, includes Pfiedler	10,050,385	8,227,744
Books	2,766,154	3,069,446
Leasing	367,134	484,462
Periodicals	1,359,997	1,332,297
Market Research	235,950	80,500
Center for Nursing Leadership	38,178	29,326
Outpatient surgery division	3,448,630	3,009,643
Contributions, sponsorships and special events, net	1,491,525	2,134,314
Other		
Grant Income - PPP Loans	5,207,849	-
Grant Income - Employee Retention Credit	2,133,581	
	<u>34,822,509</u>	<u>26,768,295</u>
Expense		
Membership	2,568,829	2,518,048
Syntegrity	874,521	929,546
Annual Surgical Conference & Expo , includes Pfiedler	2,575,592	3,297,765
Education products, includes Pfiedler	4,216,716	4,205,872
Books	2,251,437	2,107,722
Leasing	496,039	509,493
Periodicals	974,232	1,019,214
Market Research	121,128	44,002
Center for Nursing Leadership	294,411	370,151
Education grants and scholarships (Foundation)	637,043	397,862
Outpatient surgery division	2,893,560	2,868,875
Fundraising (Foundation)	161,242	154,599
General and administrative	13,085,979	12,884,457
Total expenses	<u>31,150,729</u>	<u>31,307,606</u>
Change in net assets from operations	<u>3,671,780</u>	<u>(4,539,311)</u>
Non-operating income		
Investment income net	1,458,023	1,045,244
Loss on asset disposal	(173,892)	48
Total non-operating income	<u>1,284,131</u>	<u>1,045,292</u>
Change in net assets before income taxed	4,955,911	(3,494,019)
Income tax benefit	<u>(209,169)</u>	<u>(341,438)</u>
Refund of restricted contributions	-	(90,000)
EXPO cancellation insurance proceeds	-	6,529,403
Change in net assets	4,746,742	2,603,946
Net assets - beginning of year	24,363,244	21,759,298
Net assets - end of year	<u>\$ 29,109,986</u>	<u>\$ 24,363,244</u>

AORN INC. AND SUBSIDIARIES

Combined Statements of Cash Flows (Audited)

	For the Years Ended	
	December 31,	
	2021	2020
Cash flows from operating activities		
Change in net assets from continuing operations	\$ 4,746,742	\$ 2,603,946
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,248,431	1,252,157
Provision for doubtful accounts	16,414	(810)
Investment return	(510,239)	(642,415)
Contributions restricted for endowments	(181,074)	(7,618)
Loss on sale of fixed assets	173,892	(48)
Impairment of goodwill	-	750,000
Change in assets and liabilities		
Accounts receivable, promises to give and income taxes	(433,590)	(227,591)
Inventory, prepaid expenses and deposits	(910,159)	1,204,913
Accounts payable, accrued liabilities and scholarships payable	270,524	(1,142,949)
Deferred income	1,954,860	(1,873,507)
Net Cash provided by operating activities	<u>6,375,801</u>	<u>1,916,078</u>
Cash flows from investing activities		
Purchase of property and equipment	(390,849)	(796,352)
Proceeds from disposition of property and equipment	345,918	
Net sales purchases of investments	(8,178,325)	(540,821)
Cash paid for business acquisition	-	-
Net cash (used in) investing activities	<u>(8,223,256)</u>	<u>(1,337,173)</u>
Cash flows from financing activities		
Contributions restricted for endowments	181,074	7,618
(Payment) Borrowing on line of credit	-	-
Issuance of notes receivable	-	-
Collection of notes receivable	-	-
Net Cash provided by financing activities of continuing operations	<u>181,074</u>	<u>7,618</u>
Net (decrease) increase in cash and cash equivalents	(1,666,381)	586,523
Cash and cash equivalents - beginning of year	8,229,157	7,642,634
Cash and cash equivalents - end of year	<u>\$ 6,562,776</u>	<u>\$ 8,229,157</u>