

AORN, INC. AND SUBSIDIARIES

Combined Statements of Financial Position

	December 31,	
	2010	2009
Assets		
Current assets		
Cash and cash equivalents	\$ 2,227,861	\$ 611,403
Accounts receivable, net of allowance for doubtful accounts of \$45,720 (2010) and (2009)	1,133,056	1,084,010
Promises to give - current portion	140,786	74,493
Inventory	138,248	158,454
Prepaid expenses and deposits	1,666,312	1,551,033
Income taxes receivable	-	83,931
Total current assets	<u>5,306,263</u>	<u>3,563,324</u>
Property and equipment, net	4,919,836	6,188,523
Work in progress	313,228	64,223
Investments	8,518,621	6,698,070
Promises to give - non-current portion	<u>124,900</u>	<u>181,500</u>
Total Assets	<u>\$ 19,182,848</u>	<u>\$ 16,695,640</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,860,005	\$ 1,551,953
Scholarships payable	112,347	95,200
Total current liabilities before deferred income	<u>1,972,352</u>	<u>1,647,153</u>
Deferred income	7,789,588	7,430,787
Total current liabilities	<u>9,761,940</u>	<u>9,077,940</u>
Net assets		
Unrestricted	7,295,952	5,928,546
Temporary restricted	722,299	457,916
Permanently restricted	1,402,657	1,231,238
Total net assets	<u>9,420,908</u>	<u>7,617,700</u>
Total liabilities and net assets	<u>\$ 19,182,848</u>	<u>\$ 16,695,640</u>

AORN, INC. AND SUBSIDIARIES

Combined Statements of Activities

	For the Years Ended	
	December 31,	
	2010	2009
Revenue		
Membership	\$ 3,346,783	\$ 3,167,976
Perioperative Nursing Data Set	306,117	48,622
International	87,361	92,663
Congress	7,219,607	7,998,924
Events	187,965	411,217
Education products	3,123,174	2,152,998
Books	1,775,199	1,434,882
Leasing Building to Tenants	457,068	452,742
Periodicals	1,861,479	2,338,393
AORN funded initiatives	25,500	-
Professional staffing and consulting (AORN Works)	2,256,888	2,036,074
Contributions, sponsorships and special events, net of special event expenses of \$ 13,953 (2010) and \$66,140 (2009)	1,121,508	996,949
Other	337,074	569,656
Total revenue	22,105,723	21,701,096
Expense		
Membership	3,081,621	3,218,182
Perioperative Nursing Data Set (SPR)	856,205	691,123
International	3,718	9,558
Congress	3,140,368	3,754,544
Events	447,645	727,157
Education products	1,342,260	1,340,669
Books	1,227,013	1,198,095
Leasing Building to Tenants	429,200	471,606
Periodicals	662,726	905,200
Professional staffing and consulting (AORN Works)	2,110,433	1,907,743
Education grants and scholarships (Foundation)	249,788	222,214
Fundraising (Foundation)	138,143	169,798
Other	119,023	163,082
General and administrative	6,816,707	6,027,395
Total expenses	20,624,850	20,806,366
Change in net assets from operations before non-operating income and income taxes	1,480,873	894,730
Non-operating income		
Interest and dividend income	185,715	152,467
Investment income (loss)	184,992	(95,254)
Investment expenses	(24,530)	(27,412)
Loss on asset disposal	413	(1,608)
Total non-operating income	346,590	28,193
Change in net assets before income taxes	1,827,463	922,923
Income tax benefit (expense)	(24,255)	(20,277)
Change in net assets	1,803,208	902,646
Net assets - beginning of year	7,617,700	6,715,054
Net assets - end of year	\$ 9,420,908	\$ 7,617,700

AORN INC. AND SUBSIDIARIES

Combined Statements of Cash Flows

	For the Years Ended December 31,	
	2010	2009
Cash flows from operating activities		
Change in net assets	\$ 1,803,208	\$ 902,646
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,532,508	1,531,436
Realized gain on sale of investments	(111,539)	905,706
Unrealized loss (gain) on investments	(73,453)	(810,542)
Loss on disposal of property and equipment	(413)	1,608
Contributions restricted for endowments	(171,419)	(381,148)
Change in assets and liabilities		
Accounts receivable, promises to give and income taxes	(58,739)	155,832
Inventory, prepaid expenses and deposits	(95,073)	716,844
Income Tax Receivable	83,931	-
Accounts payable, accrued liabilities and scholarships payable	325,199	(1,108,224)
Deferred income	358,801	(961,883)
Net Cash provided by operating activities	3,593,011	952,275
Cash flows from investing activities		
Purchase of property and equipment	(512,413)	(568,068)
Net purchases of investments	(1,635,559)	(1,356,295)
Net cash (used in) investing activities	(2,147,972)	(1,924,363)
Cash flow from financing activities (net provided)	171,419	381,148
Net decrease in cash and cash equivalents	1,616,458	(590,940)
Cash and cash equivalents - beginning of year	611,403	1,202,343
Cash and cash equivalents - end of year	\$ 2,227,861	\$ 611,403