SUPER SERVICE. REMARKABLE RESULTS.

LIFESOUTH COMMUNITY BLOOD CENTERS
2015 ANNUAL REPORT
MISSION
To provide a safe blood supply that meets or exceeds the needs in each community we serve, and to provide a variety of services in support of ongoing and emerging blood and transfusion-related activities.

VISION
To be a vital and prominent member of our communities known for meeting the needs of the entire community, incomparable customer service and unwavering employee excellence.

To develop our communities’ blood supply by increasing blood donations from both new and existing blood donors and optimizing component yields from each donation.

To be an employer of choice by providing a work environment that continually reiterates and reinforces the value of each employee’s role and offers opportunities for employee development and growth.

To be recognized as a provider of the safest and highest quality blood components and services by engaging in unrelenting and continuous improvement in our methods and procedures.

VALUES
We are responsible for the safety of our employees, our donors, our patients and our blood supply.

We work together with mutual respect, personal integrity, a spirit of cooperation and remarkable professionalism to meet our communities’ needs.

We make a difference every day by connecting our donors to our patients.

We provide ethical, honest and courteous service to ensure the goodwill of the community.

We efficiently manage our resources and our community blood supply.

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LIFESOUTH COMMUNITIES

ALABAMA REGIONS
North Alabama District
North Alabama Region, Madison
Marshall Region, Albertville
Morgan Region, Decatur
Shoals Region, Sheffield

Central Alabama District
Birmingham Region, Birmingham

South Alabama District
Montgomery Region, Montgomery
East Alabama Region, Opelika
Wiregrass Region, Dothan

Coastal Alabama District
Mobile Region, Mobile
Baldwin Region, Daphne

GEORGIA REGIONS
Georgia District
Greater Atlanta Region, Atlanta
Southern Crescent Region, McDonough
Northeast Georgia Region, Gainesville

FLORIDA REGIONS
North Florida District
Civitan Region, Gainesville
Putnam Region, Palatka
Suwannee Valley Region, Lake City

South Florida District
Hernando Region, Brooksville
Citrus Region, Lecanto
Marion Region, Ocala
ALABAMA
Athens-Limestone Hospital
Atmore Community Hospital
Baptist Medical Center East
Baptist Medical Center South
Birmingham VA Medical Center
Brookwood Medical Center
Bullock County Hospital
Children’s Hospital of Alabama
Citizens Baptist Medical Center
Community Hospital Talladega
Coosa Valley Medical Center
Crenshaw Community Hospital
Crestwood Medical Center
Cullman Regional Medical Center
Dale Medical Center
DCH Regional Medical Center
Decatur Morgan Hospital
EAMC-Lanier
East Alabama Medical Center
Eliza Coffee Memorial Hospital
Elmore Community Hospital
Flowers Hospital
Georgiana Medical Center
Helen Keller Hospital
Huntsville Hospital
Jack Hughston Hospital
Jackson Hospital
Lake Martin Community Hospital
Lawrence Medical Center
Madison Hospital
Marshall Medical Center North
Marshall Medical Center South
Mizell Memorial Hospital
Mobile Infirmary Medical Center
Mobile Infirmary West
North Baldwin Infirmary
Parkway Medical Center
Prattville Baptist Hospital
Princeton Baptist Medical Center
Providence Hospital
Regional Medical Center Anniston
Regional Medical Center Jacksonville
Russell Medical Center
Russellville Hospital
Shelby Baptist Medical Center
Shoals Hospital
Southeast Alabama Medical Center
Springhill Memorial Hospital
St. Vincent’s Birmingham
St. Vincent’s Blount
St. Vincent’s East
St. Vincent’s St. Clair
Thomas Hospital
Trinity Medical Center
UAB Hospital-Highlands
UAB Medical West
University of Alabama at Birmingham Hospital
USA Children’s & Women’s
USA Medical Center
Walker Baptist Medical Center
Wiregrass Medical Center

FLORIDA
Bayfront Health Brooksville
Bayfront Health Spring Hill
Citrus Memorial Hospital
Lake Butler Hospital/Hand Surgery Center
Lake City Medical Center
Lake City VA Medical Center
Malcom Randall VA Medical Center
North Florida Reception Center Hospital
North Florida Regional Medical Center
Oak Hill Hospital
Putnam Community Medical Center
Seven Rivers Regional Medical Center
Shands Lake Shore Regional Medical Center
Shands Live Oak Regional Medical Center
Shands Starke Regional Medical Center
UF Health Shands Cancer Hospital
UF Health Shands Children’s Hospital
UF Health Shands Hospital

GEORGIA
Atlanta Medical Center
Atlanta Medical Center-South Campus
Atlanta VA Medical Center
Barrow Regional Medical Center
Children’s Healthcare of Atlanta
eat Egleston
Children’s Healthcare of Atlanta at Scottish Rite
Emory Johns Creek Hospital
Emory Saint Joseph’s Hospital
Emory University Hospital
Emory University Hospital Midtown
Emory-Adventist Hospital
Grady Health System
Gwinnett Medical Center
Habersham Medical Center
Higgins General Hospital
Martin Army Community Hospital
Medical Center of Central Georgia
Newton General Hospital
North Fulton Hospital
Northeast Georgia Medical Center
Northside Hospital
Northside Hospital-Forsyth
Piedmont Atlanta Hospital
Piedmont Henry Hospital
Spartan Regional Medical Center
Sykean Grove Hospital
Tanner Medical Center/Carrollton
Tanner Medical Center/Villa Rica
Warm Springs Medical Center
WellStar Cobb Hospital
WellStar Kennestone Hospital
West Georgia Medical Center

HOSPITALS WE SERVE

BOARD OF DIRECTORS
FISCAL YEAR 2016
LifeSouth Community Blood Centers is governed by a volunteer board of directors. This group of dedicated community leaders provides guidance that enables us to fulfill our mission.

Philip Baker
Chairman
Building Contractor†
Reeves Byrd Jr.
Vice Chairman
Preferred Management Investments Inc.†
Ronald Spitznagel, EdD
Secretary
Consultant and Expert Witness
James Kelly Jr., CPA
Treasurer
UF Health Shands Hospital
Don Barbee Jr.
Hernando County Clerk of the Court
Rob Barca
Baptist Health
Herb Bevis, PhD
University of Florida†
Gary Brooks
BBI Construction Management Inc.
Dan Bundy
Regions Bank
Brenda Carlisle
Brookwood Medical Center
Avis Craig
Key Training Center
Georgiann Ellis
UF Health Shands Hospital†
Kristi Fultz-Butts
Centers for Disease Control and Prevention
Katherine Laurenzano, MD
Malcom Randall VA Medical Center
Lennart Lilieholm
P & L Painting & Decorating Inc.
Michael Lukowski, MD
UF Health Shands Hospital
Perry Griff Jr.
Insurance Agent†
Christopher Montgomery
RTI Surgical, Inc.
Gary Moody, JD
Moody & Salzman, P.A.
William Northcut
Alachua County Fire Rescue
Everett Scroggie Jr.
GN ReSound Corp.†
Willard Shafer
University of Florida†
Carl Smith
Waffle House
Robert Smith
HealthGroup of Alabama
Richard Staub
InterMed Biomedical Services Inc.
Joe Stough III
Mobile Infirmary Medical Center
Merrick Wilson
Homewood City Schools
† Retired
LIFESOUTH SERVICES

ACTIVE INVENTORY MANAGEMENT
LIFESOUTH IS COMMITTED TO EFFECTIVELY MANAGING OUR HOSPITALS’ BLOOD INVENTORIES, RESULTING IN REDUCED WASTE, LOWER COSTS AND BETTER PATIENT CARE. COLLABORATION ALLOWS US BOTH TO BE RESPONSIBLE STEWARDS OF THE BLOOD SUPPLY. THIS PARTNERSHIP REQUIRES THAT THE HOSPITAL RELY ON LIFESOUTH FOR ALL BLOOD NEEDS WHILE WE ACCEPT THE RESPONSIBILITY OF ENSURING THAT THEY HAVE THE BLOOD THEY NEED, WHEN THEY NEED IT.

WE CAN MAKE THIS COMMITMENT BECAUSE WE:

COMMUNICATE FREQUENTLY
ANTICIPATE BLOOD NEEDS, AND DELIVER AS-NEEDED, PROVIDING THE HIGHEST LEVEL OF CUSTOMER SERVICE TO OUR HOSPITALS AND OPTIMIZING OUR DONORS’ GIFTS OF LIFE.

ROTATE INVENTORY
ALLOWING COMPONENTS WHICH WOULD OTHERWISE EXPIRE TO BE DISTRIBUTED THROUGHOUT THE COMMUNITY, HELPING LOWER COSTS TO HOSPITALS.

COLLECT AND PROCESS
BLOOD IN EACH COMMUNITY WE SERVE, ENSURING THE FRESHEST BLOOD COMPONENTS ARE AVAILABLE WHEN THEY ARE NEEDED.

ESTABLISH A MINIMUM INVENTORY
FOR ALL BLOOD COMPONENTS AND ENSURE THESE INVENTORY LEVELS ARE MAINTAINED AT EACH HOSPITAL WE SERVE.

THERAPEUTIC APERHERESIS
LifeSouth offers therapeutic apheresis services. In Gainesville, Florida, our nurses partner with physicians to deliver bedside care in hospitals and outpatient clinics. We draw upon more than two decades of experience in delivering these specialized lifesaving services. Our nurses are trained on the latest technology to assist patients needing services which include: plasmapheresis, red blood cell exchanges/depletions and leukapheresis.

PLASMA EXCHANGES FOR
- LEUKEMIA
- KIDNEY DISEASE
- AUTOIMMUNE DISEASES
- NEUROLOGIC CONDITIONS
- ORGAN TRANSPLANT REJECTIONS

RED CELL EXCHANGES FOR
- SICKLE CELL DISEASE
- MALARIA

LEUKAPHERESIS FOR
- LEUKEMIA
LIFESOUTH IS YOUR TRUSTED PARTNER FOR RELIABLE, TIMELY AND QUALITY BLOOD COMPONENTS FROM HIGH VOLUME ORDERS TO SPECIALIZED SERVICES.
LifeSouth’s new immunohematology reference laboratory (IRL) in Atlanta enables us to efficiently provide phenotyped or genotyped red cells for patients with alloantibodies who require antigen-specific units, antigen-negative blood components or HLA-typed blood components. A quick turn-around for hospitals and patients is especially important since we provide more than 150 of these antigen-specific units each week.

Transfusion patients can develop antibodies that make it difficult to find blood that is a viable match. LifeSouth’s IRL uses state-of-the-art technology and investigational methods to fulfill special patient needs. IBBIS, our FDA-approved software, allows us to identify special donors whose red cells, platelets and white cells have antigens that are compatible with the patient.

Sickle cell disease patients, for example, require multiple transfusions of specially identified antigen-matched blood. The LifeSouth IRL has two molecular testing platforms, using donor or patient DNA to identify matches. This helps precisely identify a particular patient’s needs for special red blood cell types. Our goal is to meet the needs of our hospital partners and their special-needs patients by having these units readily available.
“Lifesouth is a good partner for Baptist Medical Center. With their service, we have improved doctor and patient satisfaction. They provide all our requests in a timely manner while our expenses have been reduced considerably. We are very pleased to work with a blood supplier whose priority is patient care.”

Luisa Paredes
Blood Bank Supervisor, Baptist Health System
Birmingham, Ala.

Baptist Health System treats nearly 350,000 patients across four hospital campuses and maintains one of Alabama’s largest networks of primary and specialty care clinics, with 43 locations statewide.
LifeCord is a program of LifeSouth Community Blood Centers. Established in 1998, it is the only nonprofit public cord blood bank in the Southeast. LifeCord collects umbilical cord blood from newborns at hospitals in Florida, Georgia and Alabama. There is no cost to donate cord blood to LifeCord.

Cord blood is the blood remaining in the umbilical cord and placenta after a baby is born. It is rich with blood-forming cells. The stem cells found in cord blood replace diseased blood-forming cells with healthy cells. Umbilical cord blood is taken from a healthy baby after birth and not from an embryo. They are not embryonic stem cells. Life-threatening diseases such as leukemia and sickle cell disease can be treated with a cord blood transplant. LifeSouth received FDA licensure for cord blood manufacturing in June 2013, becoming the fifth cord blood bank nationwide licensed by the FDA. LifeCord partners with the National Marrow Donor Program (NMDP) to provide umbilical cord blood units for patients worldwide. So far, the program has provided cord blood to patients in 29 states and 15 countries.

Not all patients are able to find a match on the NMDP registry. African-American patients have an estimated 34 percent likelihood of not finding a match. African-Americans are less likely to find a match compared to other races.

Because of the demographics in our geographic location, the Health Resources and Services Administration (HRSA) and the NMDP encourage LifeCord to actively recruit African-American donors. We are working to increase the likelihood of African-American patients finding a match by increasing the number of diverse umbilical cord blood units on the registry. Our goal is to partner with additional hospitals in the Southeast with high minority birth rates so that more patients can find their lifesaving match. As of September 2015, LifeCord has shipped 162 units of cord blood for patients in need.
“LIFE SOUTH IS A VITAL PARTNER IN GETTING BLOOD TO THE CHILDREN OF ATLANTA. THEIR CUSTOMER SERVICE, HANDLING OF SPECIALIZED PRODUCT REQUESTS AND REFERENCE LABORATORY TESTING CAPABILITIES ENABLE US TO DELIVER THE BEST QUALITY AND SAFEST CARE TO CHILDREN REQUIRING BLOOD TRANSFUSIONS.”

CASSANDRA JOSEPHSON, MD
MEDICAL DIRECTOR, CHILDREN’S HEALTHCARE OF ATLANTA
TRANSFUSION, TISSUE AND APHERESIS SERVICES PROFESSOR, PATHOLOGY AND PEDIATRICS

CHILDREN’S HEALTHCARE OF ATLANTA IS ONE OF THE LARGEST PEDIATRIC CARE PROVIDERS IN THE U.S. AND HOME TO ONE OF THE TOP PEDIATRIC SURGERY PROGRAMS IN GEORGIA.
ACCOLADES AND GROWTH

2015 FABB AWARD WINNERS

HOSPITAL PARTNERSHIP
OAK HILL HOSPITAL

HIGH SCHOOL (SMALL)
CRESCENT CITY HIGH SCHOOL

HIGH SCHOOL (MEDIUM)
INTERLACHEN HIGH SCHOOL

HOSPITAL DONOR GROUP ACHIEVEMENT
UF HEALTH SHANDS HOSPITAL

GROWTH AND IMPROVEMENT

RENOVATIONS TO LIFESOUTH’S ATLANTA BUILDING GAVE THE DONOR CENTER AN UPDATED LOOK.

LIFESOUTH’S NEW IRL IN ATLANTA IS NOW LICENSED AND SERVING HOSPITALS IN GEORGIA.

LIFESOUTH CUT THE RIBBON ON ITS NEWLY-RENOVATED LAKE CITY DONOR CENTER.

LIFESOUTH CELEBRATED ITS ONE YEAR ANNIVERSARY SERVING THE HOSPITALS AND DONORS IN ANNISTON, ALA.
“LIFESOUTH IS A GREAT PARTNER IN OUR EFFORT TO PROVIDE THE BEST CARE FOR OUR PATIENTS.”

DIANA MORFORD, MLS (ASCP)
ASSISTANT DIRECTOR OF LABORATORY SERVICES, NORTH FULTON HOSPITAL
ROSWELL, GA.

NORTH FULTON HOSPITAL IS A 202-BED ACUTE CARE HOSPITAL MEETING THE HEALTHCARE NEEDS OF RESIDENTS OF NORTH FULTON, FORSYTH, EAST COBB, EAST CHEROKEE AND WEST GWINNETT COUNTIES.
OUR MISSION FULFILLED

At six months old, Gracie White was diagnosed with Hurler Syndrome, a rare genetic disorder. She received a cord blood transplant and made a full recovery.

“THANK YOU, LIFECORD, FOR ALL YOU DO TO GIVE A CHILD A CHANCE FOR A BETTER LIFE.”
- SARAH WHITE, GRACIE’S MOM

Toddler Braylon Lee Posey received two blood transfusions during his treatment for sickle cell disease.

“THANKS TO BLOOD DONORS, BRAYLON IS FEELING MUCH BETTER. HE LOVES TO CLIMB AND JUMP. HE’S ALL OVER THE PLACE.”
- JALISA HAMBY, BRAYLON’S MOM

At 10 months old, Kaedyn Ballew was diagnosed with leukemia. He received numerous blood transfusions throughout his chemotherapy. With the help of blood donors, he beat cancer and is now a happy, healthy little boy.

“WE APPRECIATE ALL THE BLOOD DONORS AND LIFESOUTH. YOU ALL HAVE KEPT MY BABY ALIVE.”
- SHELSIE BALLEW, KAEDYN’S MOM

Long-time blood donor Rachelle Spiers lost her leg in a 2013 motorcycle crash, requiring 14 blood transfusions to survive.

“EVERY DAY I’M THANKFUL. IT’S JUST A GIFT. HOW DO YOU SAY THANK YOU? I WOULDN’T BE HERE WITHOUT THOSE DONORS.”
- RACHELLE SPIERS
OUR MISSION FULFILLED

Logan Blocker suffered from Kawasaki disease, a rare condition that affects the arteries, when he was nine months old. An emergency plasma transfusion saved his life.

“MY SON WOULD NOT BE HERE IF IT WEREN’T FOR LIFESOUTH DONORS. PLASMA FROM A BLOOD DONOR SAVED MY CHILD.”

– AUDRA BLOCKER, LOGAN’S MOM

Shortly after he was born, Cole Kelley was diagnosed with Diamond-Blackfan anemia, a rare blood disorder. Every three weeks, he receives a blood transfusion. Cole has helped many people get over their fear of needles so they can donate blood.

“A LOT OF PEOPLE HAVE STARTED GIVING BLOOD BECAUSE OF COLE. THEY ARE LITERALLY SAVING SOMEONE’S LIFE. I WANT EVERYONE TO KNOW TO GIVE BLOOD.”

– CAROLINE KELLEY, COLE’S MOM

When Ansley Cochran was two years old, she was diagnosed with neuroblastoma. Now 18, she has faced chemotherapy, multiple surgeries, radiation therapy and has undergone two stem cell transplants. She’s had multiple transfusions of red blood cells and platelets.

“I NEVER REALIZED THERE WAS A SHORTAGE OF BLOOD. UNTIL YOU’RE IN A SITUATION WHERE YOU NEED SOMETHING LIKE THAT, YOU JUST ASSUME IT’S ALWAYS GOING TO BE THERE, BUT IT’S NOT.”

– DONNA COCHRAN, ANSLEY’S MOM
2015 HOSPITAL SURVEY
AN ANONYMOUS SURVEY OF OUR HOSPITAL PARTNERS

4.5 OUT OF 5 STAR RATING
“EXCELLENT SERVICE.”

“LIFESOUTH IS KNOWLEGEABLE ABOUT THE PRODUCTS AND SERVICES THEY PROVIDE.”

“I HAVE RECOMMENDED LIFESOUTH NUMEROUS TIMES TO OTHER FACILITIES WHO ARE NOW GLAD THEY SWITCHED!”

“WE ARE BLESSED TO HAVE A PARTNER IN HEALTHCARE AS COMMITTED AS LIFESOUTH.”

2015 ANNUAL EMPLOYEE SATISFACTION SURVEY

ENGAGEMENT

Compared with other U.S. employees, LifeSouth employees are **MORE** engaged!

Based on a scale from 1 to 5

![Bar chart comparing engagement scores for LifeSouth, other U.S. employees, and similarly-sized organizations in the industry]

Strengths
According to employees, the following are areas LifeSouth has excelled in:

- **Meaningfulness of Job**: 86% (LifeSouth), 67% (U.S. Average)
- **Relationships with Colleagues**: 82% (LifeSouth), 77% (U.S. Average)
- **Feeling Safe in Work Environment**: 82% (LifeSouth), 77% (U.S. Average)
- **The Work Itself**: 81% (LifeSouth), 72% (U.S. Average)

Overall Satisfaction

Compared with other U.S. employees, LifeSouth employees are **MORE** satisfied overall.

- 76% Satisfied (LifeSouth)
- 12% Neutral (LifeSouth)
- 70% Satisfied (Other U.S. Employees in SHRM Database)

“LIFESOUTH IS A GREAT COMPANY, WE ARE ALWAYS GROWING AND ADAPTING TO MEET OR EXCEED THE NEEDS OF THE COMMUNITIES WE SERVE, THE DONORS WE APPRECIATE AND THE COLLEAGUES WE CONSIDER OUR FAMILY AWAY FROM HOME.”
FINANCIALS

Statement of Activities
(In Thousands of Dollars)

Revenues Relative To:

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blood Components &amp; Services</td>
<td>$78,022</td>
<td>97%</td>
</tr>
<tr>
<td>Other Income</td>
<td>2,759</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$80,781</td>
<td>100%</td>
</tr>
</tbody>
</table>

Expenses Relative To:

<table>
<thead>
<tr>
<th>Expense Category</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donor Recruitment</td>
<td>$4,106</td>
<td>6%</td>
</tr>
<tr>
<td>Blood Collection &amp; Distribution</td>
<td>32,526</td>
<td>42%</td>
</tr>
<tr>
<td>Laboratory</td>
<td>17,377</td>
<td>22%</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>20,153</td>
<td>26%</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>3,351</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$77,513</td>
<td>100%</td>
</tr>
</tbody>
</table>

Statement of Financial Position
(In Thousands of Dollars)

Assets:

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>$21,898</td>
<td>32%</td>
</tr>
<tr>
<td>Long Term Assets</td>
<td>44,287</td>
<td>65%</td>
</tr>
<tr>
<td>Other Assets</td>
<td>2,261</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$68,446</td>
<td>100%</td>
</tr>
</tbody>
</table>

Liabilities & Net Assets:

<table>
<thead>
<tr>
<th>Liability Category</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td>$7,185</td>
<td>10%</td>
</tr>
<tr>
<td>Long Term Debt</td>
<td>25,602</td>
<td>38%</td>
</tr>
<tr>
<td>Net Assets</td>
<td>35,659</td>
<td>52%</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Net Assets</strong></td>
<td>$68,446</td>
<td>100%</td>
</tr>
</tbody>
</table>

Cash Flow Summary:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$80,781</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>(74,162)</td>
</tr>
<tr>
<td>Capital Expenses</td>
<td>(4,857)</td>
</tr>
<tr>
<td>Less Debt Payments</td>
<td>(1,277)</td>
</tr>
<tr>
<td><strong>Net Cash Flow</strong></td>
<td>$485</td>
</tr>
</tbody>
</table>