GROWTH FOR LIFE
LifeSouth Community Blood Centers
2011 Annual Report

Connecting our donors to our patients
A Message from the CEO

For more than 37 years LifeSouth has provided high quality blood products and transfusion-related services to communities throughout Florida, Alabama and Georgia. We adapt to serve the changing needs of our communities. We develop innovative systems and processes to ensure efficiency and safety within our organization. We leverage the talent and abilities of the organization to prepare for the future through research and extended partnerships. Significant advancements of the past year form a solid foundation for our continued progress in the years to come.

One of our most memorable achievements of 2010-11 was completing the implementation of our Integrated Blood Bank Information System (IBBIS) software. LifeSouth’s talented team of designers built a strong digital network that is custom-made to collect valuable information from the donor rooms to the hospitals. This team continues to improve the software, daily enhancing our operations by communicating the information through meaningful reports.

In Gainesville, Fla. we celebrated the completion of a major building construction project at our headquarters location. Two other construction projects are underway in Alabama. LifeSouth’s new South Alabama District facility is taking shape in Montgomery and near Huntsville we are building a new hub for our North Alabama District. This construction and development creates needed workspace and streamlines our activities.

LifeCord, our public umbilical cord blood bank, has been gaining momentum in collections and distribution as we move toward Food and Drug Administration (FDA) licensure. During the past year we began collecting cord blood units (CBUs) from an additional hospital, bringing LifeCord into the state of Georgia. Shands Hospital at the University of Florida increased its collections, allowing LifeCord to post more units to the National Marrow Donor Program Registry. We have now shipped more than 80 CBUs for transplantation, saving lives all over the world. At headquarters we are building the lab needed for further development and expansion of LifeCord.

LifeSouth is continuing to make a positive impact as a blood supplier in the communities we serve. We are partnering with four additional hospitals in Georgia. In Alabama we supply nearly 80 percent of the blood received by patients. When tornados ripped through the state of Alabama earlier this year, LifeSouth and our donors worked together to save lives.

As a health-care organization we value the health and well-being of our employees. These talented individuals are the cornerstone for our success. Their work helps us fulfill our mission on a daily basis. With that in mind we launched LifeWise, an employee wellness program which offers tools and resources to maintain and improve health.

This year’s growth and development was guided by our strategic goals. Our efforts have brought us closer to where we will be in five to 10 years. This annual report offers an overview of that journey; from where we’ve been to the new exciting horizons ahead.

Table of Contents

A Message from the CEO pg. 1
Mission/Vision/Values and Board of Directors pg. 2
Regions and Donor Centers pg. 3
Patient Stories and Partner Awards pg. 4
Highlights pg. 5
Financial Information pg. 6
LifeSouth Community Blood Centers

LifeSouth is one of the ten largest community blood providers in the United States, collecting and supplying blood for more than 100 medical facilities in Alabama, Florida and Georgia. LifeSouth operates 19 regions that include 30 donor centers, 41 bloodmobiles and 14 indoor blood drive systems, giving us the capability of collecting blood at 90 venues daily.

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 the blood supply in each community we serve 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

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

Teamwork: We work together with mutual respect, personal integrity, a spirit of cooperation and remarkable professionalism to meet each community’s needs.

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

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

Stewardship: We efficiently manage our resources and our community blood supply.

2011 Board of Directors

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
Retired

Reeves Byrd Jr.
Vice Chairman
Preferred Management Investments, Inc.

Ronald Spitznagel, Ed.D.
Secretary
Consultant and Expert Witness

Willard Shafer
Treasurer
Retired

Carroll Bennett, D.D.S.
Retired

Herb Bevis, Ph.D.
Retired

Gary Brooks
BBI Construction Management, Inc.

Ronald Brown
Businessman

Dan Bundy
Regions Bank

Avis Craig
Citrus County Property Appraiser’s Office

Georgiann Ellis
Retired

Timothy Flynn, M.D.
Shands at UF

Merritt Fore III
Burger King

Daniel Galasso
Purvis, Gray and Company, LLP

Gregory Grisson
M&S Bank

Katherine Laurenzano, M.D.
Lake City VA Hospital

Lennart Lilieholm
P & L Painting & Decorating, Inc.

Michael Lukowski, M.D.
Shands at UF

John Mallory
Retired

Perry McG Griff Jr.
Retired

Gary Moody, J.D.
Moody & Salzman, P.A.

William Northcutt
Alachua County Fire Rescue

Donald Rothwell, Ph.D.
Retired

Everett Scroggie Jr.
Retired

Mark Shertzer, M.D.
Pathology Laboratory Associates, LLP

Carl Smith
Waffle House

Robert Smith
HealthGroup of Alabama

Richard Staab
InterMed Biomedical Services, Inc.

Joe Stough III
Mobile Infirmary Medical Center

Michael Wofford
Vision Communications, Inc.
**Georgia Regions and Donor Centers**

**Georgia District**
Greater Atlanta Region (Hub), Atlanta
Southern Crescent Region, McDonough
Northeast Georgia Region, Gainesville

**Florida Regions and Donor Centers**

**North Florida District**
Civitan Region (Hub), Gainesville
Chiefland Donor Center
Newberry Road Donor Center
Alachua Donor Center
Putnam Region, Palatka
Suwannee Valley Region, Lake City

**South Florida District**
Hernando Region (Hub), Brooksville
Citrus Region, Lecanto
Inverness Donor Center
Marion Region, Ocala
Dunnellon Donor Center

**Alabama Regions and Donor Centers**

**North Alabama District**
North Alabama Region (Hub), Huntsville
Huntsville Hospital Donor Center
Marshall Region, Albertville
Morgan Region, Decatur
Cullman Donor Center
Shoals Region, Sheffield
Eliza Coffee Memorial Hospital Donor Center

**Central Alabama District**
Birmingham Region (Hub), Birmingham
Brookwood Donor Center
St. Vincent’s East Donor Center

**South Alabama District**
Montgomery Region (Hub), Montgomery
East Alabama Region, Opelika
Wiregrass Region, Dothan

**Coastal Alabama District**
Mobile Region (Hub), Mobile
Baldwin Region, Daphne
Thomas Hospital Donor Center
Wetumpka, Ala. twins Brenna and Bailey Walker are healthy, active kids who keep their parents Brooke and Jeff on the run. They’ve enjoyed learning T-Ball, and their active imaginations allow them to transform from storybook princesses to “Super Girls.”

But when they were born on Oct. 23, 2007, the future didn’t look bright for them or Brooke. A normal pregnancy and delivery quickly became a battle for survival. Brooke used six units of blood, Bailey used two and Brenna needed one.

Jeff and Brooke were blood donors before that day in 2007. Now they are advocates, helping LifeSouth spread the word about the need for blood.

“Absolutely none of this would have been possible without blood donation,” Brooke said. “We’re reminded of our blessing every day.”

Brenna and Bailey Walker, 3 ½

Lydays understand need for blood

When the need for blood arises, nobody wants to be kept waiting. Mike and Penny Lyday understand this better than most. On May 15, 2009, Mike was nearly killed in an accident in North Carolina. His son, Robert, a host of doctors, nurses, paramedics and more than a dozen blood donors helped save his life. When Penny got to the hospital, the message from the doctor was one nobody wants to hear: they couldn’t do surgery on her husband until blood arrived. “It didn’t matter if they could piece him back together, if they didn’t have blood, we didn’t have anything,” she said.

“It’s a scary thought,” Mike said, thinking about that long wait. In the first 72 hours after the crash, Mike went through 16 units of blood. The experience also impacted Penny, who now works as a LifeSouth mobile team captain in Northeast Georgia. “I was like everybody else, thinking there’s always going to be blood there, but that’s not always true. It doesn’t happen without our donors,” she said.

Celebrating daily joys thanks to lifesaving blood donors

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LifeSouth partners earn accolades

LifeSouth is proud that our dedicated network of volunteers and partners were singled out for national and state honors this year.

America’s Blood Centers honored Clear Channel Radio of Huntsville, Ala. with its Media of the Year Award. The University Athletic Association at the University of Florida earned ABC’s Most Productive Blood Drive Award for its annual “What Colors Do You Bleed?” donor challenge with Knoxville’s Medic Regional Blood Center and the University of Tennessee. The Health Occupations Student of America class at Palatka High School in Palatka, Fla. earned second place in ABC’s national Humor Me PSA Contest for its entry, “Teach Me How to Donate.”

The Florida Association of Blood Banks presented its Media Award to long-time supporter WOCA in Ocala and the Putnam County School Board with its Donor Group of the Year Award in the non-hospital category.

(left to right) LifeSouth’s Clay Gibbons, Putnam County School Superintendent Tommy Townsend, School Board Administrative Assistant Anthony DeMatteo and LifeSouth’s North Florida District Director J.D. Pettyjohn.
LifeSouth’s headquarters in Gainesville, Fla. accommodates more than 160 employees in 19 departments, including a donor center, accounting, human resources, receiving, donor scheduling, donor testing laboratory, executive leadership and more. Prior to this year’s renovation, the campus consisted of four separate buildings. The 100,000 square foot LifeSouth campus is now consolidated into four interconnected buildings that link all departments. In addition to improving communication and solidarity between departments, the facility contains space for a state-of-the-art LifeCord laboratory for processing umbilical cord blood units.

In May, headquarters completed a new 19,000 square-foot space, fulfilling a plan developed when LifeSouth purchased the property in 1999. Named the Var Heyl Operations Support Building, it consists of the IT and facilities departments. In addition, it provides LifeSouth with a meeting room for use by staff as well as the community.

In June, the second building in the headquarters project was completed. The 15,000 square foot Administration Building now houses human resources, purchasing, centralized ordering and the business office. It connects the donor center, medical office, and executive office in the Philip H. Baker Building to the Var Heyl Operations Support Building, finally linking all four headquarters buildings together.

LifeCord was formed in 1999 when LifeSouth teamed up with the University of Florida and Shands at UF to create the first public cord blood bank in the Southeast. Initial collection sites included Shands at UF and North Florida Regional Medical Center. Four collection sites were added in Alabama, helping meet the increasing demand for more ethnically diverse cord blood units. In 2010, collections extended to Northeast Georgia Medical Center in Gainesville, Ga., with the expectation of partnering with several other hospitals in the near future.

The use of cord blood in reconstituting bone marrow in patients undergoing cancer treatment or for correction of selective genetic defects was first proposed in the late 1980s. Although cord blood cells were known to contain marrow-repopulating ‘stem’ cells, the limited quantity of the cells captured post-delivery initially hindered their usage. Thus, the first cord blood transplant research studies occurred in children or small adults. More recent studies have demonstrated the feasibility of transplanting multiple cord blood units into adults, which dramatically increases cord blood’s potential future use. Extending LifeCord’s service area is vital in meeting this growing demand.

In 2009, the US Food and Drug Administration provided guidelines for transitioning from research to the development of cord blood into a licensed product. This announcement prompted LifeCord to commit to building a new fully-automated cell processing plant, including creation of a clean room. The availability of robotic and automatic processing methods permits LifeCord to more easily comply with current Good Manufacturing Practices in a facility that can control manufacturing and reduce possible contamination. LifeCord’s addition of a new hospital and a state-of-the-art processing facility show smart growth with expansion at a solid pace for our scope of services and service area.

IBBIS increases scope

LifeSouth’s blood bank information system, IBBIS, increased its scope further into operations and is steadily improving the organization’s operational efficiencies. With last year’s v2.2 rollout, the software was able to give management a complete view of operations from donor collections through shipping. This means IBBIS can move from being a passive system that simply generates reports to an active one that leverages real-time data to support quality control, improves inventory management and interacts with external systems and social media sites.

The development team is currently focusing its efforts on the next release of IBBIS and is engaged in the opportunity to improve the donor experience, data workflow and eliminate paper. IBBIS v3.0 will include a self-administered, online donor history interview, improved donor identification and the ability to track the collection events and data electronically. We believe donors, staff and management will be excited as these changes roll out.

Construction brings innovation and solidarity to LifeSouth headquarters

LifeCord expands range and capabilities
Financial Information

Statements of Financial Position
(In Thousands of Dollars)

Assets:
- Current Assets: $15,651 (31%)
- Long Term Assets: $33,567 (67%)
- Other Assets: $1,168 (2%)

Total Assets: $50,386 (100%)

Liabilities & Net Assets:
- Current Liabilities: $9,558 (19%)
- Deferred Revenue: $300 (1%)
- Long Term Debt: $17,402 (28%)
- Net Assets: $23,126 (52%)

Total Liabilities & Net Assets: $50,386 (100%)

Cash Flow Summary:
- Total Revenue: $73,930
- Operating Expenses: $(70,109)
- Capital Expenses: $(3,573)

Net Cash Flow: $248

Statements of Activities
(In Thousands of Dollars)

Revenues Relative To:
- Blood Components & Services: $73,039 (98%)
- Other Income: $891 (2%)

Total Revenue: $73,930 (100%)

Expenses Relative To:
- Donor Recruitment: $4,158 (6%)
- Blood Collection & Distribution: $35,130 (48%)
- Laboratory: $15,056 (21%)
- General & Administrative: $15,765 (21%)
- Depreciation & Amortization: $2,636 (4%)

Total Expenses: $72,745 (100%)

FY 2011 Trends