

OneBlood, Inc.

Consolidated Financial Report
December 31, 2014

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Independent Auditor's Report

To the Audit Committee
OneBlood, Inc.
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of OneBlood, Inc. and its controlled affiliate (collectively referred to as the Organization), which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of OneBlood, Inc. and its controlled affiliate as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years ended in accordance with accounting principles generally accepted in the United States of America.

McGladrey LLP

Orlando, Florida
April 28, 2015

OneBlood, Inc.

**Consolidated Balance Sheets
December 31, 2014 and 2013**

	2014	2013
Assets		
Current Assets:		
Cash and cash equivalents	\$ 10,120,669	\$ 19,120,591
Restricted cash	500,000	-
Certificates of deposit	253,400	361,123
Investments	111,582,518	109,428,349
Receivables:		
Trade receivables, net	31,458,784	38,546,422
Other	1,168,223	1,253,197
Supplies inventory	5,797,588	5,573,674
Blood and blood components inventory	4,786,668	4,614,755
Prepaid expenses and other current assets	2,870,853	3,891,720
Total current assets	168,538,703	182,789,831
Property and Equipment, net	115,363,300	114,273,510
Other Investments	19,062,825	12,807,628
Other Assets	489,559	749,277
	\$ 303,454,387	\$ 310,620,246
Liabilities and Net Assets		
Current Liabilities:		
Current portion of long-term debt	\$ 962,000	\$ 1,143,910
Accounts payable	10,764,163	8,941,262
Accrued expenses	16,619,567	17,063,127
Deferred revenue	741,718	559,815
Due to related parties	2,799,289	2,786,651
Total current liabilities	31,886,737	30,494,765
Long-Term Liabilities,		
Long-term debt, net of current portion	43,105,000	46,425,275
Total liabilities	74,991,737	76,920,040
Commitments and Contingencies (Notes 7, 8 and 12)		
Net Assets:		
Unrestricted	227,372,457	232,366,123
Temporarily restricted	1,058,693	1,302,583
Permanently restricted	31,500	31,500
	228,462,650	233,700,206
	\$ 303,454,387	\$ 310,620,246

See Notes to Consolidated Financial Statements.

OneBlood, Inc.

**Consolidated Statements of Operations and Changes in Net Assets
For the Years Ended December 31, 2014 and 2013**

	2014	2013
Operating revenues:		
Red blood cells, net	\$ 148,258,436	\$ 160,923,504
Platelets, net	63,158,600	66,178,715
Plasma revenues, net	27,878,324	28,866,798
Compatibility testing	30,789,445	28,727,238
Other products and services	10,375,878	10,712,129
Total operating revenues	280,460,683	295,408,384
Operating expenses:		
Salaries and benefit costs	144,852,323	153,422,234
Medical supplies and testing services	80,523,569	88,932,024
Other operating expenses	57,292,047	53,135,290
Depreciation and amortization	13,790,500	14,105,835
Total operating expenses	296,458,439	309,595,383
Gain on disposal of property and equipment, net	53,997	35,127
Operating loss	(15,943,759)	(14,151,872)
Nonoperating revenue and expense:		
Investment income, net	4,555,408	12,982,677
Equity earnings from investment	3,955,199	1,370,804
Lease and service revenue	2,147,698	2,392,592
Interest expense	(495,374)	(783,252)
Other, net	508,750	417,795
Total nonoperating revenue and expense	10,671,681	16,380,616
Net assets released from restrictions	278,412	7,125
(Decrease) increase in unrestricted net assets	(4,993,666)	2,235,869
Temporarily restricted revenues and expenses:		
Realized gain on sale of investments	88,727	77,984
Unrealized (loss) gain on investments	(98,483)	1,381
Interest and dividend income	44,278	26,122
Net assets released from restrictions	(278,412)	(7,125)
(Decrease) increase in temporarily restricted net assets	(243,890)	98,362
Change in net assets	(5,237,556)	2,334,231
Net assets:		
Beginning of year	233,700,206	231,365,975
End of year	\$ 228,462,650	\$ 233,700,206

See Notes to Consolidated Financial Statements.

OneBlood, Inc.

**Consolidated Statements of Cash Flows
For the Years Ended December 31, 2014 and 2013**

	2014	2013
Cash Flows From Operating Activities		
Change in net assets	\$ (5,237,556)	\$ 2,334,231
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	13,801,971	14,434,401
Net realized/unrealized gain on investments	(2,299,106)	(10,874,729)
Equity earnings from investment in other investments	(3,955,199)	(1,376,081)
Provision for doubtful accounts and returns	323,000	(1,334,766)
Gain on disposal of equipment	(53,997)	(35,127)
Changes in assets and liabilities:		
Trade receivables	6,764,638	(4,312,611)
Other receivables	84,974	(76,528)
Supplies inventory	(223,914)	488,430
Blood and blood components inventory	(171,913)	499,434
Prepaid expenses and other current assets	1,020,867	(38,315)
Other assets	248,247	270,851
Accounts payable	1,822,901	2,305,825
Accrued expenses	(2,585,443)	(3,840,727)
Deferred revenue	181,903	(36,732)
Due to related parties	12,638	(875,899)
Net cash provided by (used in) operating activities	9,734,011	(2,468,343)
Cash Flows From Investing Activities		
Purchases of property and equipment	(13,062,865)	(14,089,429)
Proceeds from sale of property and equipment	378,455	-
Purchases of investments	(158,367,887)	(128,384,363)
Proceeds from the sale and maturity of investments	158,512,824	108,886,563
Proceeds from the sale of certificates of deposit	107,723	816,834
Purchase of other investments	(2,299,998)	-
Increase in restricted cash	(500,000)	-
Net cash used in investing activities	(15,231,748)	(32,770,395)
Cash Flows Used In Financing Activities		
Borrowings of long-term debt	-	45,000,000
Principal payments on long-term debt	(3,502,185)	(28,818,544)
Payment of deferred loan costs	-	(227,947)
Net cash (used in) provided by financing activities	(3,502,185)	15,953,509
Net decrease in cash and cash equivalents	(8,999,922)	(19,285,229)
Cash and cash equivalents:		
Beginning	19,120,591	38,405,820
Ending	\$ 10,120,669	\$ 19,120,591
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	\$ 391,820	\$ 479,431
Supplemental Disclosure of Noncash Investing and Financing Activities		
Purchases of property, plant and equipment included in accounts payable and accrued expenses	\$ 2,141,883	\$ -

See Notes to Consolidated Financial Statements.

OneBlood, Inc.

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: OneBlood, Inc. is a Florida not-for-profit corporation that provides for the recruitment, collection, processing and distribution of blood and blood products to meet the needs of the community. The Organization serves hospitals and health facilities throughout Florida, Georgia and Alabama.

OneBlood, Inc. was formed on January 27, 2012 when the following four Florida not-for-profit corporations merged together: Community Blood Centers of Florida, Inc. (CBC); Florida's Blood Centers, Inc. (FBC); Florida Blood Services, Inc. (FBS); and Independent Blood and Tissue Services of Florida, Inc. (IBTS). OneBlood, Inc. was formed to be able to more efficiently and effectively provide safe, available and affordable blood to its hospital partners and their patients.

OneBlood Foundation, Inc. (OBF), formerly Florida Blood Services Foundation, Inc., was established as a Florida not-for-profit organization in 1980 to support FBS. OBF is a controlled affiliate of OneBlood, Inc. which maintains a majority voting interest in OBF.

OBF Investments, LLC (OBFI), a wholly-owned subsidiary of OBF was established as a Florida for-profit organization on August 14, 2014, to make and manage certain strategic investments of OBF.

OneBlood, Inc., OBF, and OBFI are collectively referred to as the Organization.

Principles of consolidation: The consolidated financial statements include the accounts of OneBlood, Inc., OBF, a controlled affiliate of OneBlood, and OBF's wholly-owned subsidiary OBFI (collectively OneBlood or the Organization). All of the significant intercompany accounts and transactions have been eliminated in consolidation.

A summary of the Organization's significant accounting policies follows:

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition: The Organization recognizes revenue from blood and blood products when shipments to the customers occur. Revenues from processing fees are recognized in the period in which services are rendered.

Cash and cash equivalents: For purposes of the statement of cash flows, all highly liquid investments with an original maturity of three months or less, and which are not designated as investments or certificates of deposit, are considered to be cash equivalents and are recorded at cost which approximates fair value.

At various times, cash balances held at financial institutions are in excess of federally-insured limits. The Organization believes no significant concentration of credit risk exists with respect to these cash balances.

OneBlood, Inc.

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Restricted cash: Restricted cash is required by the workers compensation self-insurance claims administrator.

Trade receivables: Trade receivables are non-interest bearing and recorded at net realizable value. Credit is extended based on an evaluation of the customer's financial condition, and generally, collateral is not required. The Organization maintains an allowance for potential credit losses based upon expected collectability of all accounts receivable. The Organization records an allowance for returned blood products at the time of sale based upon historical trends. Management estimates its allowance for doubtful accounts and for returned blood products to be approximately \$1,432,000 and \$1,309,000 as of December 31, 2014 and 2013, respectively. Credit losses and returns of blood products are provided for in the financial statements and have historically been within management's expectations.

Investments and investment income: Investments are reported at fair value (see Note 2). Realized gains and losses are recorded at date of disposition based on the difference between the net proceeds and the cost of the investments sold, using the specific identification method. Unrealized gains and losses are reported for the changes in fair value between reporting periods. Interest and dividend income is recognized when earned. Investment income, reported in the accompanying consolidated statements of operations includes realized and unrealized gains and losses as well as interest and dividend income. Investments included in current assets on the accompanying consolidated balance sheets include investments in equity securities, mutual funds, money market funds, and debt securities.

Inventories: Inventories are stated at the lower of cost (first-in, first-out method) or market. The cost of blood and blood components inventory is determined using a current year average combined collection, processing and distribution cost per unit produced. The cost of supplies inventory is determined by the first-in, first-out method.

Property and equipment: Property and equipment are reported on the basis of historical cost at the date of acquisition. Gifts of long-lived assets such as land, buildings, or equipment are reported as nonoperating revenue in the year donated, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. Expenditures that materially increase values, change capacities, or extend useful lives are capitalized.

Depreciation is computed by the straight-line method over the following estimated useful lives:

Assets	Estimated Useful Life (Years)
Building and improvements	30 – 40
Furniture and equipment	5 – 10
Leasehold improvements	3 – 13
Computer equipment and software	3 – 6
Automobiles and trucks	2 – 10

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Leasehold improvements are amortized using the straight-line method over the lesser of the period of the lease term or the estimated useful life of the assets. Such amortization is included in depreciation and amortization expense in the accompanying statements of operations and changes in net assets.

Deferred bond issue costs: Deferred bond issue costs are amortized over the term of the long-term debt using the straight-line method, which approximates the effective interest method. As of December 31, 2014 and 2013, approximately \$214,000 and \$226,000, respectively, of unamortized deferred bond issuance costs are included in other assets. Amortization of bond issue costs was approximately \$12,000 and \$328,600 during the years ended December 31, 2014 and 2013, respectively and is included in interest expense in the accompanying consolidated statements of operations and changes in net assets.

Classification of net assets: Contributions received are recorded as an increase in unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted: Resources over which the Board of Directors (the Board) of the Organization has discretionary control. Designated amounts represent those revenues which the Board has set aside for a particular purpose.

Temporarily restricted: Resources subject to donor imposed restrictions that will be satisfied by actions of the Organization or passage of time. Temporarily restricted net assets expended in the year of receipt are recognized as unrestricted contributions.

Permanently restricted: Resources subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Contributed services: A substantial number of unpaid volunteers have made significant contributions of their time, principally in collection programs. The value of this contributed time is not reflected in the accompanying financial statements since it is not susceptible to objective measurement or valuation and the equivalent of an employer/employee relationship does not exist.

Impairment of long-lived assets: Long-lived assets, such as property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the use and eventual disposition of the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and would no longer be depreciated.

Income taxes: The Organization is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and from state income taxes under a similar provision of the Florida statutes. Accordingly, no provision for federal and state income taxes has been recorded in the accompanying consolidated financial statements.

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The Organization follows accounting standards relating to accounting for uncertainty in income taxes. The Organization assessed whether there were any uncertain tax positions which may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying consolidated financial statements. The Organization files income tax returns in the U.S. federal jurisdiction. Generally, the Organization is no longer subject to U.S. federal income tax examinations by tax authorities for years ended December 31, 2011 and prior.

Advertising: The Organization expenses the costs of advertising as incurred. Advertising costs for the years ended December 31, 2014 and 2013 were approximately \$93,000 and \$121,000, respectively.

Shipping and handling: The Organization includes shipping and handling costs in other operating expenses. Total shipping and handling costs related to blood products and services was approximately \$2,014,000 and \$2,364,000 for the years ended December 31, 2014 and 2013, respectively.

Recent accounting pronouncements: The Financial Accounting Standards Board (FASB) and other entities issued new or modifications to, or interpretations of, existing accounting guidance during the year ended December 31, 2014. The Organization has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in these notes to the financial statements, does not believe that any other new or modified principles will have a material impact on the Organization's reported financial position or operations in the near term.

Reclassifications: Certain amounts in the accompanying 2013 consolidated financial statements have been reclassified to conform with the 2014 presentation. These reclassifications had no impact on the change in net assets or net assets as previously reported.

Subsequent events: Management has evaluated subsequent events through April 28, 2015, the date on which the financial statements were issued.

OneBlood, Inc.**Notes to Consolidated Financial Statements**

Note 2. Investments and Fair Value Measurements

Investments as of December 31, 2014 and 2013, consist of:

	<u>2014</u>	<u>2013</u>
Equity securities:		
Common stocks:		
S&P 500 stocks	\$ 37,782,289	\$ 38,715,556
Foreign stocks	13,638,373	12,778,241
S&P Midcap 400 stocks	7,652,018	6,748,108
OTC market stocks	4,648,012	7,375,550
	<u>63,720,692</u>	<u>65,617,455</u>
Mutual funds:		
Bond funds	2,315,911	5,358,474
Equity funds	1,792,461	-
Conservative allocation funds	1,646,180	-
International funds	418,234	331,836
Large Cap funds	188,049	133,779
Income funds	167,913	133,040
Growth funds	140,863	184,191
Mid Cap funds	139,823	130,023
Real estate funds	113,242	118,825
Small Cap funds	67,970	87,259
Commodity funds	63,619	46,856
Large blends funds	-	675,828
	<u>7,054,265</u>	<u>7,200,111</u>
Money market funds	<u>1,711,177</u>	<u>3,439,215</u>
Debt securities:		
Corporate debt securities	30,004,827	27,247,477
U.S. government securities	6,174,436	4,068,311
Foreign debt securities	1,606,393	1,194,196
Municipal debt securities	1,310,728	661,584
	<u>39,096,384</u>	<u>33,171,568</u>
	<u>\$ 111,582,518</u>	<u>\$ 109,428,349</u>

Unrestricted investment income was comprised of the following components for the years ended December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Net realized and unrealized gains from investments	\$ 2,299,106	\$ 10,874,729
Interest and dividend income	2,256,302	2,107,948
	<u>\$ 4,555,408</u>	<u>\$ 12,982,677</u>

Notes to Consolidated Financial Statements

Note 2. Investments and Fair Value Measurements (Continued)

The Organization invests in various investment securities in accordance with its investment policy. These investment securities are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the uncertainty related to changes in their values, it is reasonable to expect that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment balance.

The Organization follows accounting standards relating to fair value measurements which defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States of America, and expands disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting standards relating to fair value measurements establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. Investments recorded at fair value in the accompanying consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs, as defined by this guidance, are as follows:

Level Input	Input Definition
Level 1	Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
Level 2	Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
Level 3	Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Fair value of actively traded debt and equity securities are based on quoted market prices. Fair value of inactively traded debt securities are based on quoted market prices of identical or similar securities or based on observable inputs like interest rates using either a market or income valuation approach and are generally classified as Level 2.

OneBlood, Inc.

Notes to Consolidated Financial Statements

Note 2. Investments and Fair Value Measurements (Continued)

The following tables present the fair value hierarchy for the balances of the financial and nonfinancial assets and liabilities of the Organization measured at fair value on a recurring and nonrecurring basis as of December 31, 2014 and 2013:

	2014			Total
	Level 1	Level 2	Level 3	
Equity securities:				
Common stocks:				
S&P 500 stocks	\$ 37,782,289	\$ -	\$ -	\$ 37,782,289
Foreign stocks	13,638,373	-	-	13,638,373
S&P Mid Cap 400 stocks	7,652,018	-	-	7,652,018
OTC market stocks	4,648,012	-	-	4,648,012
	<u>63,720,692</u>	<u>-</u>	<u>-</u>	<u>63,720,692</u>
Mutual funds:				
Bond funds	2,315,911	-	-	2,315,911
Equity funds	1,792,461	-	-	1,792,461
Conservative allocation funds	1,646,180	-	-	1,646,180
International funds	418,234	-	-	418,234
Large Cap funds	188,049	-	-	188,049
Income funds	167,913	-	-	167,913
Growth funds	140,863	-	-	140,863
Mid Cap funds	139,823	-	-	139,823
Real estate funds	113,242	-	-	113,242
Small Cap funds	67,970	-	-	67,970
Commodity funds	63,619	-	-	63,619
	<u>7,054,265</u>	<u>-</u>	<u>-</u>	<u>7,054,265</u>
Money market funds	<u>1,711,177</u>	<u>-</u>	<u>-</u>	<u>1,711,177</u>
Debt securities:				
Corporate debt securities	-	30,004,827	-	30,004,827
U.S. government securities	-	6,174,436	-	6,174,436
Foreign debt securities	-	1,606,393	-	1,606,393
Municipal debt securities	-	1,310,728	-	1,310,728
	-	<u>39,096,384</u>	-	<u>39,096,384</u>
	<u>\$ 72,486,134</u>	<u>\$ 39,096,384</u>	<u>\$ -</u>	<u>\$ 111,582,518</u>

OneBlood, Inc.

Notes to Consolidated Financial Statements

Note 2. Investments and Fair Value Measurements (Continued)

	2013			Total
	Level 1	Level 2	Level 3	
Equity securities:				
Common stocks:				
S&P 500 stocks	\$ 38,715,556	\$ -	\$ -	\$ 38,715,556
Foreign stocks	12,778,241	-	-	12,778,241
S&P Mid Cap 400 stocks	6,748,108	-	-	6,748,108
OTC market stocks	7,375,550	-	-	7,375,550
	<u>65,617,455</u>	<u>-</u>	<u>-</u>	<u>65,617,455</u>
Mutual funds:				
Bond funds	5,358,474	-	-	5,358,474
Large blends funds	675,828	-	-	675,828
International funds	331,836	-	-	331,836
Growth funds	184,191	-	-	184,191
Large Cap funds	133,779	-	-	133,779
Mid Cap funds	130,023	-	-	130,023
Income funds	133,040	-	-	133,040
Real estate funds	118,825	-	-	118,825
Small Cap funds	87,259	-	-	87,259
Commodity funds	46,856	-	-	46,856
	<u>7,200,111</u>	<u>-</u>	<u>-</u>	<u>7,200,111</u>
Money market funds	<u>3,439,215</u>	<u>-</u>	<u>-</u>	<u>3,439,215</u>
Debt securities:				
Corporate debt securities	-	27,247,477	-	27,247,477
U.S. government securities	-	4,068,311	-	4,068,311
Foreign debt securities	-	1,194,196	-	1,194,196
Municipal debt securities	-	661,584	-	661,584
	<u>-</u>	<u>33,171,568</u>	<u>-</u>	<u>33,171,568</u>
	<u>\$ 76,256,781</u>	<u>\$ 33,171,568</u>	<u>\$ -</u>	<u>\$ 109,428,349</u>

OneBlood, Inc.

Notes to Consolidated Financial Statements

Note 2. Investments and Fair Value Measurements (Continued)

Fair value of financial instruments: The fair value of certain of the Organization's financial instruments that are not measured at fair value, including cash and cash equivalents, certificates of deposit, accounts receivable, accounts payable, accrued expenses, and deferred revenue approximate the carrying amount because of the short-term nature of these instruments. The fair value of the Organization's debt is based on quoted market prices, if available, or estimated using quoted market prices for similar securities. The estimated fair value of Organization's debt, as of December 31, 2014, approximated carrying value of the debt due to its proximity to current market rates for similar debt issues.

Note 3. Property and Equipment

Property and equipment consists of the following as of December 31, 2014 and 2013:

	2014	2013
Land	\$ 20,431,382	\$ 20,520,982
Buildings and improvements	101,851,975	92,278,528
Furniture and equipment	44,134,104	41,969,411
Automobiles and trucks	36,816,700	36,449,897
Computer equipment and software	29,194,574	27,067,704
Leasehold improvements	8,830,602	8,939,694
Construction in progress	4,631,761	6,962,585
	<u>245,891,098</u>	<u>234,188,801</u>
Less accumulated depreciation and amortization	130,527,798	119,915,291
	<u>\$ 115,363,300</u>	<u>\$ 114,273,510</u>

Depreciation and amortization expense for the years ended December 31, 2014 and 2013, was approximately \$13,791,000 and \$14,106,000, respectively.

Note 4. Other Investments

The Organization accounts for its investments in Creative Testing Solutions (CTS), HemeXcel Purchasing Alliance, LLC, and HemeXcel Resources, LLC under the equity method, whereby the Organization's proportionate share of the net income or loss of the investee is recognized as income or loss in the Organization's statement of operations and added or subtracted from the investment account. The Organization's investment in iSpecimen, Inc. is accounted for under the cost method. The date of investment, purpose and percentage ownership for each investment is as follows:

Entity	Date of Investment	Purpose	Percentage of Ownership
Creative Testing Solutions	January 1, 2010	Donor Testing Service	25%
HemeXcel Purchasing Alliance, LLC	August 26, 2013	Purchasing Group	20%
HemeXcel Resources, LLC	May 30, 2014	Distributor and Marketer of Blood Products	20%
iSpecimen, Inc.	August 22, 2014	Clinical Speciman Supplier	17%

OneBlood, Inc.**Notes to Consolidated Financial Statements****Note 4. Other Investments (Continued)**

Summary of investment balances for the respective entities as of and for the year ended December 31, 2014 and 2013, is as follows:

	2014	2013
Creative Testing Solutions	\$ 16,725,687	\$ 12,762,906
iSpecimen, Inc.	2,250,000	-
HemeXcel Purchasing Alliance, LLC	80,752	44,722
HemeXcel Resources, LLC	6,386	-
	<u>\$ 19,062,825</u>	<u>\$ 12,807,628</u>

Summary financial information for the respective entities that the Organization accounts for under the equity method of accounting as of and for the years ended December 31, 2014 and 2013 is as follows:

	2014	2013
Current assets	\$ 90,473,175	\$ 70,831,785
Current liabilities	24,432,495	20,221,595
Working capital	<u>66,040,680</u>	<u>50,610,190</u>
Noncurrent assets	1,297,770	665,039
Noncurrent liabilities	-	-
	<u>1,297,770</u>	<u>665,039</u>
Net assets	<u>\$ 67,338,450</u>	<u>\$ 51,275,229</u>
	2014	2013
Revenue	\$218,289,170	\$224,373,677
Operating expenses	(203,094,135)	(220,983,193)
Other income	618,185	2,087,449
Net income	<u>\$ 15,813,220</u>	<u>\$ 5,477,933</u>

Contributions to income (loss) of the investments accounted for under the equity method of accounting for the years ended December 31, 2014 and 2013, is as follows:

	2014	2013
Creative Testing Solutions	\$ 3,962,782	\$ 1,376,082
HemeXcel Purchasing Alliance, LLC	36,031	(5,278)
HemeXcel Resources, LLC	(43,614)	-
	<u>\$ 3,955,199</u>	<u>\$ 1,370,804</u>

OneBlood, Inc.**Notes to Consolidated Financial Statements**

Note 5. Accrued Expenses

Accrued expenses consists of the following as of December 31, 2014 and 2013:

	2014	2013
Vacation	\$ 7,294,966	\$ 7,883,101
Payroll and related benefits	4,726,672	4,365,447
Health and workers' compensation insurance (Note 12)	2,274,719	2,133,721
Retirement	1,341,253	1,665,597
Other	981,957	1,015,261
	<u>\$ 16,619,567</u>	<u>\$ 17,063,127</u>

Note 6. Long-Term Debt

Long-term debt as of December 31, 2014 and 2013, consists of the following:

	2014	2013
City of St. Petersburg, Florida Health Care Facilities Revenue Bonds, Series 2013.	\$ 44,067,000	\$ 45,000,000
Note payable to a financial institution; payable in monthly installments of \$25,860 including interest at 4.75%. The note was paid in full in May 2014.	-	2,569,185
	<u>44,067,000</u>	<u>47,569,185</u>
Less current portion of long-term debt	962,000	1,143,910
	<u>\$ 43,105,000</u>	<u>\$ 46,425,275</u>

In April 2013, the Organization issued Health Care Facilities Revenue Bonds, Series 2013 (the Bonds) in the principal amount of \$45,000,000 for the purpose of financing or refinancing the cost of the acquisition, construction, equipping, renovation or expansion of all or a portion of certain capital projects and equipment owned or to be owned and operated by the Organization. The Bonds were issued through the City of St. Petersburg Health Facilities Authority.

The Bonds bear interest at a variable rate per annum equal to 67% of One-Month London Interbank Offered Rate (LIBOR) plus an applicable margin equal to 0.72% (.83% as of December 31, 2014). The Bonds which mature in April 2043 require annual principal payments which commenced in April 2014 and quarterly interest payments which commenced in July 2013. The Bonds are collateralized by gross revenues and property. The Financing Agreement contains certain financial covenants including the maintenance of minimum unrestricted days cash on hand, an annual required debt service coverage ratio, and a maximum debt to capitalization ratio limit.

OneBlood, Inc.

Notes to Consolidated Financial Statements

Note 6. Long-Term Debt (Continued)

Long-term debt maturities, which include the Series 2013 bonds and the note payable, in each of the following five years and in the aggregate thereafter are as follows:

Year Ending December 31,	
2015	\$ 962,000
2016	988,000
2017	1,022,000
2018	1,054,000
2019	1,086,000
Thereafter	38,955,000
	<u>\$ 44,067,000</u>

Note 7. Leases

The Organization leases land, equipment and office space in connection with its operations. These leases are accounted for as operating leases. Total lease expense incurred in connection with these lease agreements was approximately \$5,554,000 and \$5,063,000 during the years ended December 31, 2014 and 2013, respectively.

Future minimum lease payments under noncancelable operating leases are approximately as follows:

Year Ending December 31,	
2015	\$ 4,461,324
2016	2,395,693
2017	1,983,089
2018	1,490,175
2019	904,638
Thereafter	1,075,115
	<u>\$ 12,310,034</u>

Note 8. Retirement Plans

The Organization maintained multiple retirement plans resulting from the merger of FBC, FBS and CBC. The Retirement Plans from these legacy companies were merged in July 2013; a summary of each Plan is as follows:

OneBlood 403(b) Retirement Plan

The Organization maintains a defined 403(b) contribution plan. Employees are eligible to make contributions to the Plan at the date of hire and must be at least 18 years old. Employees become eligible for employer match and discretionary funding on the 1st of the month after 1 year and at least 1,000 hours of service within a plan year. Eligible employees determine the individual contribution to the Plan and the Organization matches up to 3.5% of eligible compensation. Employees must contribute at least 5% to be eligible for the maximum match. The employer funds an additional 3% of eligible compensation to all eligible participants.

OneBlood, Inc.

Notes to Consolidated Financial Statements

Note 8. Retirement Plans (Continued)

All assets from the legacy FBS Defined Contribution 403(b) Pension Plan and legacy CBC Defined Contribution 403(b) Retirement Plan are secured in this Plan.

OneBlood Defined Contribution Retirement Plan

The Organization maintains a defined 401(a) contribution plan. The Plan was established to protect the balances from FBS legacy 401(a) Plan and legacy FBC 401(k) Plan that were frozen as of June 30, 2013. Assets in the 401(a) Plan are fully vested and no further contributions will be made to this Plan.

Florida's Blood Centers, Inc. Retirement Savings Plan

The Organization maintained a defined contribution plan that was frozen as of June 30, 2013 and participant balances were transferred to the OneBlood Defined Contribution Retirement Plan maintained by the Organization. The Organization matched employee elective contributions (matching contributions) dollar for dollar up to a maximum of 6.0% of eligible compensation for 2014 and 2013.

Community Blood Centers of Florida, Inc. 403(b) Plan

The Organization maintained a defined contribution pension retirement plan that was frozen as of June 30, 2013 and participant balances were transferred to the OneBlood 403(b) Retirement Plan maintained by the Organization.

Key Employee Secured Benefit Plan

The Organization maintained a Key Employee Secured Benefit Plan (KESBP). The KESBP was funded solely by participants and sponsor contributions, deposited with an insurance carrier, who issued a Policy on the Plan participant's life. The Organization's contributions were equal to up to 15% of the total compensation earned by the plan participant during the year. The participants were immediately vested in participant contributions and were 100% vested in sponsor contributions after five continuous years of full-time employment with the Organization. The plan was frozen on December 31, 2013.

Nonqualified Retirement Plan – 457(f)

The Organization also has a nonqualified retirement plan for certain members of management. In 2013 the Organization made its last fixed payment to the plan.

The Organization recorded approximately \$5,025,000 and \$6,182,000 of expenses related to the retirement plans noted above during the years ended December 31, 2014 and 2013, respectively.

Note 9. Related Party Transactions

The following is a summary of the transactions between the Organization and CTS as of December 31, 2014 and 2013 and for the years ended December 2014 and 2013:

	2014	2013
Due to CTS	\$ 2,799,289	\$ 2,786,651
Testing services provided by CTS	35,300,667	37,309,989
Lease and services revenue from CTS	2,147,698	2,392,592

In 2010, the Organization entered into leasing agreements with CTS, whereby the Organization leased the use of a portion of its building and certain testing equipment located in St. Petersburg, Florida to CTS.

OneBlood, Inc.

Notes to Consolidated Financial Statements

Note 9. Related Party Transactions (Continued)

The leased equipment consists of equipment used by CTS to perform the necessary laboratory testing procedures. The lease agreement will continue for a period of 12 months and will renew automatically for an additional 12 months, unless cancelled by CTS with written notice at least 60 days before the end of the term. The equipment leased to CTS has a cost basis of approximately \$6,253,000 and \$6,030,000, respectively, as of December 31, 2014 and 2013 and a net book value of approximately \$594,000 and \$812,000 as of December 31, 2014 and 2013, respectively.

The facility lease commenced on January 1, 2010 and expires 10 years following the aforementioned commencement date. The Organization leases approximately 29,000 square feet of building space to CTS, with monthly payments of approximately \$64,000. The basic annual rent shall increase beginning January 1 of each year by an amount equal to the lesser of: (a) three percent (3%) or (b) the CPI Adjustment Rate. In addition, CTS paid operating costs of approximately \$126,000. The portion of the facility leased has a cost basis of approximately \$4,462,000 and a net book value of approximately \$2,314,000 and \$2,428,000 as of December 31, 2014 and 2013, respectively.

Future minimum rental payments receivable with related parties under noncancelable operating leases with initial or remaining lease terms in excess of one year are approximately as follows at December 31, 2014:

Year Ending December 31,

2015	\$	833,703
2016		858,714
2017		884,475
2018		911,009
2019		938,340
Thereafter		80,540
	\$	<u>4,506,781</u>

Note 10. Temporarily and Permanently Restricted Net Assets

Temporarily and permanently restricted net assets are associated with OBF (see Note 1).

Temporarily restricted net assets of OBF as of December 31, 2014 and 2013, consisted of the following:

	<u>2014</u>		<u>2013</u>	
Cash	\$	20,226	\$	86,003
Investments		995,696		938,681
Other assets		42,771		277,899
	\$	<u>1,058,693</u>	\$	<u>1,302,583</u>

During the years ended December 31, 2014 and 2013, temporarily restricted net assets of \$278,412 and \$7,125, respectively, were released from restriction.

OneBlood, Inc.**Notes to Consolidated Financial Statements****Note 10. Temporarily and Permanently Restricted Net Assets**

Permanently restricted net assets of OBF as of December 31, 2014 and 2013, consisted of the following:

	2014	2013
Investments	\$ 31,500	\$ 31,500

Note 11. Allocation of Functional Expenses

The cost of providing the Organization's various programs and activities are summarized below on a functional basis. Accordingly, certain costs have been allocated among the programs benefited and supporting services.

	2014		
	Program Services	Supporting Services General and Administration	Total
Salaries and benefit costs	\$ 130,367,091	\$ 14,485,232	\$ 144,852,323
Medical supplies and testing services	80,523,569	-	80,523,569
Other operating expenses	43,255,495	14,036,552	57,292,047
Depreciation and amortization	12,411,450	1,379,050	13,790,500
	<u>\$ 266,557,605</u>	<u>\$ 29,900,834</u>	<u>\$ 296,458,439</u>
	2013		
	Program Services	Supporting Services General and Administration	Total
Salaries and benefit costs	\$ 138,080,011	\$ 15,342,223	\$ 153,422,234
Medical supplies and testing services	88,932,024	-	88,932,024
Other operating expenses	40,117,144	13,018,146	53,135,290
Depreciation and amortization	12,695,251	1,410,584	14,105,835
	<u>\$ 279,824,430</u>	<u>\$ 29,770,953</u>	<u>\$ 309,595,383</u>

Note 12. Commitments and Contingencies

Self-insurance: The Organization provides medical and other healthcare benefits to certain employees and covered dependents through a self-insured health care plan. In addition, the Organization is self-insured for workers' compensation. Reinsurance, covering costs above \$250,000 per plan, per individual per plan year is maintained through a commercial excess coverage policy. Undiscounted estimated reserves for claims incurred but not yet reported totaled approximately \$2,275,000 and \$2,134,000 at December 31, 2014 and 2013, respectively, and are included in accrued expenses (see Note 5) in the accompanying consolidated balance sheets.

Notes to Consolidated Financial Statements

Note 12. Commitments and Contingencies (Continued)

Professional liability: The Organization is, from time to time, subject to claims and suits for damages, including damages for personal injuries to patients and others, which are covered as to risk and amount under various insurance policies, subject to deductibles. The Organization maintains occurrence-based professional liability insurance of \$10,000,000 to cover the costs related to these claims. In the opinion of management, the ultimate resolution of pending claims will not have a material effect on the financial position, activities, or liquidity of the Organization.

Regulations: State and federal laws set forth anti-kickback and self-referral prohibitions and otherwise regulate financial relationships between blood banks and hospitals, physicians and other persons who refer business to them. While the Organization believes its present operations comply with applicable regulations, there can be no assurance that future legislation or rule making, or the interpretation of existing laws and regulations will not prohibit or adversely impact the delivery by the Organization of its services or products.

Note 13. Subsequent Event

In March 2015, the Organization entered into a plan to sell properties with a carrying value of approximately \$7.6 million. The listing price of the properties will be approximately \$13.2 million.



**Independent Auditor's Report
on the Supplementary Information**

To the Audit Committee
OneBlood, Inc.
Orlando, Florida

We have audited the consolidated financial statements of OneBlood, Inc. and its controlled affiliate as of and for the years ended December 31, 2014 and 2013, and have issued our report thereon which contains an unmodified opinion on those financial statements. See page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McGladrey LLP

Orlando, Florida
April 28, 2015

OneBlood, Inc.

Consolidating Balance Sheet
December 31, 2014

	OneBlood, Inc.	OneBlood Foundation, Inc. and Subsidiary	Eliminations	Consolidated Total
Assets				
Current Assets:				
Cash and cash equivalents	\$ 9,743,708	\$ 376,961	\$ -	\$ 10,120,669
Restricted cash	500,000	-	-	500,000
Certificates of deposit	253,400	-	-	253,400
Investments	112,415,689	1,570,552	(2,403,723)	111,582,518
Receivables:				
Trade receivable, net	31,458,784	-	-	31,458,784
Other	1,083,424	84,799	-	1,168,223
Supplies inventory	5,797,588	-	-	5,797,588
Blood and blood components inventory	4,786,668	-	-	4,786,668
Prepaid expenses and other current assets	2,870,853	-	-	2,870,853
Total current assets	168,910,114	2,032,312	(2,403,723)	168,538,703
Property and Equipment, net	115,363,300	-	-	115,363,300
Other Investments	19,090,777	2,250,000	(2,277,952)	19,062,825
Other Assets	412,106	77,453	-	489,559
	\$ 303,776,297	\$ 4,359,765	\$ (4,681,675)	\$ 303,454,387
Liabilities and Net Assets				
Current Liabilities:				
Current portion of long-term debt	\$ 962,000	\$ -	\$ -	\$ 962,000
Accounts payable	10,764,163	-	-	10,764,163
Accrued expenses	16,619,567	-	-	16,619,567
Deferred revenue	741,718	-	-	741,718
Due to related parties	3,121,199	1,956,042	(2,277,952)	2,799,289
Total current liabilities	32,208,647	1,956,042	(2,277,952)	31,886,737
Long-Term Liabilities,				
Long-term debt, net of current portion	43,105,000	-	-	43,105,000
Total liabilities	75,313,647	1,956,042	(2,277,952)	74,991,737
Net Assets:				
Unrestricted	227,372,457	1,313,530	(1,313,530)	227,372,457
Temporarily restricted	1,058,693	1,058,693	(1,058,693)	1,058,693
Permanently restricted	31,500	31,500	(31,500)	31,500
	228,462,650	2,403,723	(2,403,723)	228,462,650
	\$ 303,776,297	\$ 4,359,765	\$ (4,681,675)	\$ 303,454,387

See Independent Auditor's Report on the Supplementary Information.

OneBlood, Inc.

Consolidating Balance Sheet
December 31, 2013

	OneBlood, Inc.	OneBlood Foundation, Inc.	Eliminations	Consolidated Total
Assets				
Current Assets:				
Cash and cash equivalents	\$ 18,733,304	\$ 387,287	\$ -	\$ 19,120,591
Certificates of deposit	361,123	-	-	361,123
Investments	110,106,918	1,474,397	(2,152,966)	109,428,349
Receivables:				
Trade receivable, net	38,546,422	-	-	38,546,422
Other	1,253,197	-	-	1,253,197
Supplies inventory	5,573,674	-	-	5,573,674
Blood and blood components inventory	4,614,755	-	-	4,614,755
Prepaid expenses and other current assets	3,891,720	-	-	3,891,720
Total current assets	183,081,113	1,861,684	(2,152,966)	182,789,831
Property and Equipment, net	114,273,510	-	-	114,273,510
Other Investments	12,807,628	-	-	12,807,628
Other Assets	436,031	313,246	-	749,277
	\$ 310,598,282	\$ 2,174,930	\$ (2,152,966)	\$ 310,620,246
Liabilities and Net Assets				
Current Liabilities:				
Current portion of long-term debt	\$ 1,143,910	\$ -	\$ -	\$ 1,143,910
Accounts payable	8,919,298	21,964	-	8,941,262
Accrued expenses	17,063,127	-	-	17,063,127
Deferred revenue	559,815	-	-	559,815
Due to related parties	2,786,651	-	-	2,786,651
Total current liabilities	30,472,801	21,964	-	30,494,765
Long-Term Liabilities,				
Long-term debt, net of current portion	46,425,275	-	-	46,425,275
Total liabilities	76,898,076	21,964	-	76,920,040
Net Assets:				
Unrestricted	232,366,123	818,883	(818,883)	232,366,123
Temporarily restricted	1,302,583	1,302,583	(1,302,583)	1,302,583
Permanently restricted	31,500	31,500	(31,500)	31,500
	233,700,206	2,152,966	(2,152,966)	233,700,206
	\$ 310,598,282	\$ 2,174,930	\$ (2,152,966)	\$ 310,620,246

See Independent Auditor's Report on the Supplementary Information.

OneBlood, Inc.

Consolidating Statement of Operations and Changes in Net Assets
For the Year Ended December 31, 2014

	OneBlood, Inc.	OneBlood Foundation, Inc. and Subsidiary	Eliminations	Consolidated Total
Operating revenues:				
Red blood cells, net	\$ 148,258,436	\$ -	\$ -	\$ 148,258,436
Platelets, net	63,158,600	-	-	63,158,600
Plasma revenues, net	27,878,324	-	-	27,878,324
Compatibility testing	30,789,445	-	-	30,789,445
Other products and services	10,230,261	145,617	-	10,375,878
Total operating revenues	280,315,066	145,617	-	280,460,683
Operating expenses:				
Salaries and benefit costs	144,852,323	-	-	144,852,323
Medical supplies and testing services	80,523,569	-	-	80,523,569
Other operating expenses	57,234,428	57,619	-	57,292,047
Depreciation and amortization	13,790,500	-	-	13,790,500
Total operating expenses	296,400,820	57,619	-	296,458,439
Gain on disposition of property and equipment, net	53,997	-	-	53,997
Operating income (loss)	(16,031,757)	87,998	-	(15,943,759)
Nonoperating revenue and expense:				
Investment income, net	4,677,928	128,237	(250,757)	4,555,408
Equity earnings from investment	3,955,199	-	-	3,955,199
Lease and service revenue	2,147,698	-	-	2,147,698
Interest expense	(495,374)	-	-	(495,374)
Other, net	508,750	-	-	508,750
Total nonoperating revenue and expense	10,794,201	128,237	(250,757)	10,671,681
Net assets released from restrictions	-	278,412	-	278,412
(Decrease) increase in unrestricted net assets	(5,237,556)	494,647	(250,757)	(4,993,666)
Temporarily restricted revenues and expenses:				
Realized gain on sale of investments	-	88,727	-	88,727
Unrealized gain on investments	-	(98,483)	-	(98,483)
Interest and dividend income	-	44,278	-	44,278
Net assets released from restrictions	-	(278,412)	-	(278,412)
Decrease in temporarily restricted net assets	-	(243,890)	-	(243,890)
Change in net assets	(5,237,556)	250,757	(250,757)	(5,237,556)
Net assets:				
Beginning of year	233,700,206	2,152,966	(2,152,966)	233,700,206
End of year	\$ 228,462,650	\$ 2,403,723	\$ (2,403,723)	\$ 228,462,650

See Independent Auditor's Report on the Supplementary Information.

OneBlood, Inc.

**Consolidating Statement of Operations and Changes in Net Assets
For the Year Ended December 31, 2013**

	OneBlood, Inc.	OneBlood Foundation, Inc.	Eliminations	Consolidated Total
Operating revenues:				
Red blood cells, net	\$ 160,923,504	\$ -	\$ -	\$ 160,923,504
Platelets, net	66,178,715	-	-	66,178,715
Plasma revenues, net	28,866,798	-	-	28,866,798
Compatibility testing	28,727,238	-	-	28,727,238
Other products and services	10,637,760	74,369	-	10,712,129
Total operating revenues	295,334,015	74,369	-	295,408,384
Operating expenses:				
Salaries and benefit costs	153,422,234	-	-	153,422,234
Medical supplies and testing services	88,932,024	-	-	88,932,024
Other operating expenses	53,099,497	35,793	-	53,135,290
Depreciation and amortization	14,105,835	-	-	14,105,835
Total operating expenses	309,559,590	35,793	-	309,595,383
Gain on disposition of property and equipment, net	35,127	-	-	35,127
Operating income (loss)	(14,190,448)	38,576	-	(14,151,872)
Nonoperating revenue and expense:				
Investment income, net	13,126,740	66,870	(210,933)	12,982,677
Equity earnings from investment	1,370,804	-	-	1,370,804
Lease and service revenue	2,392,592	-	-	2,392,592
Interest expense	(783,252)	-	-	(783,252)
Other, net	417,795	-	-	417,795
Total nonoperating revenue and expense	16,524,679	66,870	(210,933)	16,380,616
Net assets released from restrictions	-	7,125	-	7,125
Increase in unrestricted net assets	2,334,231	112,571	(210,933)	2,235,869
Temporarily restricted revenues and expenses:				
Realized gain on sale of investments	-	77,984	-	77,984
Unrealized gain on investments	-	1,381	-	1,381
Interest and dividend income	-	26,122	-	26,122
Net assets released from restrictions	-	(7,125)	-	(7,125)
Increase in temporarily restricted net assets	-	98,362	-	98,362
Change in net assets	2,334,231	210,933	(210,933)	2,334,231
Net assets:				
Beginning of year	231,365,975	1,942,033	(1,942,033)	231,365,975
End of year	\$ 233,700,206	\$ 2,152,966	\$ (2,152,966)	\$ 233,700,206

See Independent Auditor's Report on the Supplementary Information.