THE BLOOD CONNECTION, INCORPORATED

Financial Statements

August 31, 2011 and 2010

(with Independent Auditors' Report thereon)

THE BLOOD CONNECTION, INCORPORATED

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DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

Independent Auditors' Report

Board of Trustees
The Blood Connection, Incorporated
Greenville, South Carolina

We have audited the accompanying statements of financial position of The Blood Connection, Incorporated as of August 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of The Blood Connection Incorporated's management. Our responsibility is to express an opinion on these 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Blood Connection, Incorporated as of August 31, 2011 and 2010, and the changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Dixon Hughes Goodman LLP

November 29, 2011

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THE BLOOD CONNECTION, INCORPORATED
Statements of Financial Position
August 31, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 2,486,898	$ 4,860,011
Accounts receivable	3,296,053	2,388,074
Donated lease receivable	107,394	110,129
Accrued interest receivable	2,955	-
Inventories	454,172	560,686
Prepaid expenses	310,970	256,825
Property and equipment, net	17,098,352	15,851,561
Debt issuance costs, net	137,252	100,818
Notes receivable	167,592	161,961
Investments	10,777,623	8,818,441
Total assets	$ 34,839,261	$ 33,108,506
Liabilities and Net Assets		
Accounts payable	$ 950,021	$ 981,105
Accrued salaries and benefits	312,620	340,604
Accrued compensated absences	599,851	567,341
Other accrued liabilities	35,457	34,897
Deferred compensation liability	501,198	476,150
Capital lease liability	4,543	8,912
Long-term debt	5,700,000	-
Bonds payable	-	4,925,000
Interest rate swaps	-	571,881
Total liabilities	8,103,690	7,905,890
Net assets		
Unrestricted	26,628,177	25,092,487
Temporarily restricted	107,394	110,129
Total net assets	26,735,571	25,202,616
Total liabilities and net assets	$ 34,839,261	$ 33,108,506

The accompanying notes are an integral part of these financial statements.

THE BLOOD CONNECTION, INCORPORATED
Statements of Activities
For the Years Ended August 31, 2011 and 2010

	2011	2010
Operating revenues and support:		
Blood service fees	$ 26,752,296	$ 24,305,207
Laboratory testing and services	149,001	112,821
Donated rent revenue	10,930	11,177
Other	133,096	276,877
Net assets released from restriction	2,735	2,488
Total operating revenues and support	27,048,058	24,708,570
Expenses:		
Salaries, payroll taxes and fringe benefits	10,764,459	10,020,741
Advertising and promotions	943,740	658,648
Equipment	127,036	87,801
Depreciation and amortization	1,382,691	1,157,198
Freight	347,214	241,066
Independent contractors	589,499	566,476
Maintenance	819,420	774,583
Operating leases and rentals	65,385	58,377
Professional	63,802	61,993
Risk management	764,894	712,053
Supplies	10,413,336	9,107,269
Telecommunications	259,343	245,495
Training and education	73,566	44,367
Utilities	338,343	291,124
Total expenses	26,952,728	24,027,191
Income from operations	95,330	681,379
Nonoperating revenues (expenses):		
Investment earnings	235,327	235,318
Investment fees	(106,306)	(100,869)
Interest expense	(222,588)	(258,556)
Change in fair value of interest rate swap	(35,419)	(226,978)
Gain on sale of assets	151,224	455,182
Loss on disposal of other assets	-	(93,935)
Unrealized gains (losses) on investments	488,136	(178,262)
Realized gains on investments	929,986	209,350
Total nonoperating revenues (expenses)	1,440,360	41,250
Increase in unrestricted net assets	1,535,690	722,629
Change in temporarily restricted net assets:		
Net assets released from restriction	(2,735)	(2,488)
Change in net assets	1,532,955	720,141
Net assets at beginning of year	25,202,616	24,482,475
Net assets at end of year	$ 26,735,571	$ 25,202,616

The accompanying notes are an integral part of these financial statements.

THE BLOOD CONNECTION, INCORPORATED
Statements of Cash Flows
For the Years Ended August 31, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
Increase in net assets	$ 1,532,955	$ 720,141
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Unrealized (gains) losses on investments	(488,136)	140,399
Realized gains on investments	(929,986)	(171,487)
Gain sale of assets	(151,224)	(455,182)
Loss on disposal of other assets	-	93,935
Donated lease receivable	2,735	2,488
Depreciation and amortization	1,382,691	1,157,198
Net changes in operating assets and liabilities:		
Accounts receivable	(907,979)	60,930
Accrued interest receivable	(2,955)	-
Inventories	106,514	(100,668)
Prepaid expenses	(54,145)	58,562
Accounts payable	(31,084)	423,663
Accrued liabilities	5,086	108,695
Deferred compensation liability	25,048	61,852
Net cash provided by operating activites	489,520	2,100,526
Cash flows from investing activities:		
Net advances on notes receivable	(5,631)	(55,600)
Sales of investments	7,953,500	4,044,872
Purchases of investments	(8,494,560)	(3,143,150)
Proceeds from sale of assets	215,803	500,000
Additions to property and equipment	(2,574,695)	(2,617,443)
Net cash used in investing activities	(2,905,583)	(1,271,321)
Cash flows from financing activities:		
Capital lease liability payments	(4,369)	(4,234)
Repayment of bonds payable	(4,925,000)	(235,000)
Long-term debt proceeds	5,700,000	-
Deferred loan costs	(155,800)	-
Interest rate swap fair value adjustment	35,419	226,978
Unwind interest rate swap	(607,300)	-
Net cash provided by (used in) financing activities	42,950	(12,256)
Net increase (decrease) in cash	(2,373,113)	816,949
Cash at beginning of year	4,860,011	4,043,062
Cash at end of year	$ 2,486,898	$ 4,860,011

The accompanying notes are an integral part of these financial statements.

THE BLOOD CONNECTION, INCORPORATED

Notes to Financial Statements

August 31, 2011 and 2010

(1) **Summary of Significant Accounting Policies**

Organization - The Blood Connection, Incorporated (hereafter "The Blood Connection") is a full-service community blood program operating in South Carolina and Georgia.

Tax Status - The Blood Connection has been recognized by the Internal Revenue Service as exempt from income taxes under IRC Section 501(c)(3) and, consequently, also is recognized as a tax exempt organization by the South Carolina Tax Commission. Accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Organization determined that there are no material unrecognized tax benefits or obligations as of August 31, 2011. Fiscal years ending on or after August 31, 2008 remain subject to examination by Federal and state tax authorities.

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand, and demand deposits at financial institutions, with an original maturity of three months or less when purchased.

Investments - Investments consist of equity securities, certificates of deposit with original maturities of greater than three months, an investment in a limited liability company and an investment in an insurance cooperative. The equity securities are managed by an investment firm that utilizes seven money managers. Equity securities are recorded at fair market value, which is based on net asset price as quoted in published sources. Realized gains or losses resulting from sales of equity securities are calculated on an adjusted cost basis. Adjusted cost for this purpose is the fair value of the security at the beginning of the fiscal year if it was held at the beginning of the year, or the cost if purchased during the year. Unrealized gains or losses are accounted for in the same manner as realized gains or losses. Certificates of deposit are reported at cost. The investment interest in the limited liability corporation is accounted for using the equity method. The investment interest in the insurance cooperative is accounted for using the cost method.

Accounts Receivable - Accounts and notes receivable are stated at the amount The Blood Connection expects to collect from outstanding balances. Management considers all material balances to be fully collectible. It is The Blood Connection's policy to charge off uncollectible receivables when management determines they will not be collected.

Inventories - Inventories consist of processed blood products and operational supplies. The processed blood products are valued based on the costs to collect, process and test the products. Operational supplies are valued at cost.

Property and Equipment - Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Additions with a value of $1,000 or greater are capitalized and expenditures for repairs and maintenance are expensed when incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets as follows:

Buildings	15-40 years
Furniture and fixtures	7-20 years
Equipment	7-10 years
Computers equipment and software	3-10 years
Vehicles	4-10 years

Debt Issuance Costs - Debt issuance costs are being amortized over the life of the loan.

Revenues - Revenue is derived primarily from service fees for the provision of blood components and is recognized when the blood or blood components are delivered, net of returns, to service customers such as hospitals, blood banks, clinics, dialysis centers, biologics and laboratory reagent suppliers. A portion of revenue is also derived from provision of cellular therapy services and laboratory testing services for these customers.

Advertising and Promotions - Advertising and promotion costs are expensed as incurred.

Risk Management - The Blood Connection is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; regulatory sanctions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health benefits. When available, commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. The Blood Connection is insured for professional malpractice liability claims and judgments, as discussed in Note 8.

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. Estimates could also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Non-Cash Contributions - The Blood Connection records non-cash contributions at their fair value at the date of the contribution. Donated services or volunteers' time are not recorded in the financial statements as there is no objective basis for valuing the services or time.

Restricted and Unrestricted Revenue and Support - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

(2) Investments

Investments are comprised of the following at August 31:

	2011	2010
Carried at fair value:		
Equity securities	$ 7,380,651	$ 7,764,745
Carried at cost:		
Money market funds	1,703,279	401,263
Certificates of deposit	1,335,785	334,000
Carried at lower of cost or fair value:		
Investment in BCx	88,764	88,764
Carried at equity method:		
Investment in IT Synergistics, LLC	269,144	229,669
Total investments	$ 10,777,623	$ 8,818,441

Certificates of deposit included in investments at August 31, 2011 and 2010 have maturity dates ranging from one year to up to two and one-half years.

The Blood Connection maintains professional and general liability insurance coverage from The Community Blood Centers' Exchange, Inc ("BCx"), which provides insurance in a cost-effective manner specifically to independent blood centers. As a member of BCx, a onetime capitalization amount is required, which is equal to the sum of 50% of the first year's premium and 50 cents per annual donation. The total amount is refundable upon withdrawal, subject to certain restrictions. At August 31, 2011 and 2010, the one-time capitalization amount of $88,764 is included in investments.

During 2005, The Blood Connection entered into an operating agreement with five other blood centers to form a limited liability company called I.T. Synergistics, LLC ("ITSy). The purpose of the company is to pursue ventures associated with the development, use, maintenance, support, marketing, sale and other activities related to blood bank industry software and systems. The Blood Connection has an approximate 17% ownership interest and the future allocation of profits and losses, if any, will be allocated in proportion to the value of the capital account balances of the members. Total capital contributions of $32,640 and $157,710 were made for the years ended August 31, 2011 and 2010, respectively. Of this amount, $100,000 of contributions for 2010 was from an outstanding notes receivable which was assigned to ITSy during the year. The Blood Connection's portion of the net income (loss) recognized by the limited partnership was $6,835 and $(38,149) at August 31, 2011 and 2010, respectively. In April 2009, ITSy began providing monthly maintenance services to the six blood centers, including The Blood Connection, for the blood bank industry software. Total monthly maintenance expense paid to ITSy for the year ended August 31, 2011 and 2010 was $111,351 and $109,850, respectively. There were no amounts payable to ITSy at August 31, 2011 and 2010, respectively.

(3) Notes Receivable

Notes receivable consist of the following at August 31:

	2011	2010
The Community Blood Centers' Exchange, Inc (BCx)	$ 162,262	$ 156,631
Other miscellaneous	5,330	5,330
	$ 167,592	$ 161,961

As discussed in Note 2, The Blood Connection is a member of BCx for its professional and general liability insurance coverage. As part of the membership agreement, a subscriber savings account is established for the member to hold any discretionary allocations of annual profits of BCx, which is then loaned back to BCx. The note pays interest annually and principal will be repaid to the member upon withdrawal of membership, beginning five years after the date of withdrawal over a five year period.

(4) Property and Equipment

Property and equipment consist of the following at August 31:

	2011	2010
Land	$ 1,613,019	$ 1,312,469
Buildings	11,934,990	10,314,397
Furniture and fixtures	1,007,685	917,427
Equipment	4,149,038	3,986,061
Computers equipment and software	2,436,911	2,330,920
Vehicles	2,336,989	1,908,099
Construction in progress	104,210	532,107
	23,582,842	21,301,480
Less accumulated depreciation	6,484,490	5,449,919
	$ 17,098,352	$ 15,851,561

(5) **Long Term Debt**

In October 2010, The Blood Connection obtained financing through the New Market Tax Credit ("NMTC") program. The proceeds of $5,700,000 were used to repay the outstanding bonds of $4,925,000, to unwind the market value of the swaps of $607,300 and to cover related closing costs. The NMTC financing is provided through two loans, an "A" loan and a "B" loan.

Loan A, in the amount of $4,389,000 is at a fixed rate of 5.75% per annum and requires monthly interest only payments for seven years, with no prepayment of principal allowed. At the end of seven years, The Blood Connection may repay the loan over three years based on a ten-year amortization, or may prepay the remaining principal balance at any time during those three years.

Loan B, in the amount of $1,311,000, is at a fixed rate of 2.5% per annum and requires monthly interest only payments for seven years, with no prepayment of principal allowed. At the end of seven years ("the conversion date"), a put/call agreement may be exercised where the lender may require The Blood Connection to purchase Loan B at a price equal to 1% of the original principal amount or if the lender does not exercise their option, The Blood Connection may exercise an option to purchase Loan B for an amount equal to the fair market value of Loan B as determined at the conversion date. Accounting recognition of the put and call option agreement, if any, will be recognized at the time of the conversion date if the put or call is exercised by the respective parties. If these options are not exercised at the conversion date, the loan will extend until October 2050 ("the maturity date"). Commencing as of the conversion date and continuing until the maturity date, interest shall continue to accrue at a rate of 2.5% per annum but shall not be compounded on the outstanding principal balance. At the maturity date, the outstanding principal and accrued interest will be due.

The loans have certain restrictive covenants pertaining to the debt service coverage ratio, tangible net worth, the ratio of debt to tangible net worth and minimum liquidity. The Blood Connection is also limited as to maximum indebtedness incurred each year. As of August 31, 2011, The Blood Connection was in compliance with all covenants.

Total interest paid including net cash settlements on the interest rate swaps amounted to approximately $223,000 during 2011 and $259,000 during 2010.

(6) **Employee Benefit Plans**

The Blood Connection sponsors a 401(k) plan covering all employees who have completed one year of service or at least 1,000 hours and have attained age twenty-one. The Blood Connection contributes dollar for dollar on the first 3% of eligible employees' contributions and fifty cents per dollar on the next 2% of eligible employees' contributions. Also, the Blood Connection contributes 6% of the eligible employees' gross annual salary as a discretionary amount for a potential total contribution of 10% for eligible employees. Net contribution expense for the retirement plans for the years ended August 31, 2011 and 2010 was approximately $565,000 and $570,000, respectively.

The Blood Connection also sponsors a non-qualified 457(f) deferred compensation plan and a deferred compensation agreement for the chief executive officer, and a non-qualified 457(b) deferred compensation plan for the chief executive officer and vice-presidents. Contributions to the deferred compensation plans are made to trust funds pursuant to the underlying supplemental retirement agreements. Since The Blood Connection controls the assets of the trusts, such assets are included in investments and the related liabilities are included in deferred compensation liability. Contribution expense for the deferred compensation agreement for the chief executive officer and vice presidents for the years ended August 31, 2011 and 2010 was approximately $5,000 each year.

(7) Concentrations

The Blood Connection operates a full-service community blood program whose customers are healthcare-related organizations primarily located in South Carolina, North Carolina and Georgia. The Blood Connection performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. Credit losses relating to customers in the healthcare industry historically have been minimal and management believes that such trends will continue. The Blood Connection received approximately 72% of its total revenues and support from five healthcare-related organizations during 2011 and approximately 72% of its total revenues and support from five healthcare-related organizations during 2010. At August 31, 2011 and 2010, accounts receivable from these customers represented approximately 84% and 71%, respectively, of the total accounts receivable for The Blood Connection.

Three vendors account for approximately 36% and 31% of The Blood Connection's supplies expense for the years ended August 31, 2011 and 2010, respectively. At August 31, 2011 and 2010, accounts payable from these vendors represented approximately 47% and 49%, respectively, of the total accounts payable for The Blood Connection.

The Blood Connection maintains cash accounts at various financial institutions. At times throughout the year, The Blood Connection may have balances in excess of FDIC insured limits.

(8) Professional Malpractice Liability Insurance

Professional malpractice liability coverage is maintained through The Community Blood Centers' Exchange, Inc. ("BCx") on an occurrence basis with an aggregate coverage limit of $5,000,000 and a deductible of $50,000.

(9) Contingencies

Currently, there are no known lawsuits involving The Blood Connection; however, from time to time, The Blood Connection may be a party to certain lawsuits and administrative proceedings that arise in the conduct of its business.

(10) Program Expenses

Expenses classified by program for the year ended August 31 are as follows:

	2011	2010
Blood donor programs	$ 12,842,279	$ 11,421,586
Laboratories	8,073,770	7,118,711
Blood processing, storage and distributions	3,796,550	3,426,489
Administration	2,240,129	2,060,405
Total expenses	$ 26,952,728	$ 24,027,191

(11) Operating Leases

The Blood Connection has a lease agreement with Oconee Memorial Hospital for the use of land for a nominal fee under a 25-year operating lease, expiring April 2028. The fair value of such land was estimated to be approximately $242,000 at the time of the lease inception. Accordingly, The Blood Connection has recorded an estimated donated lease receivable for this in-kind contribution, based on a 9.5% annual return, with a balance of $107,394 and $110,129 at August 31, 2011 and 2010, respectively. On the Statement of Activities, The Blood Connection has recognized an additional $10,930 and $11,177 for 2011 and 2010, respectively, as revenue items (“Donated rent revenue”), $2,735 and $2,488 for 2011 and 2010, respectively, as releases from restriction (“Net assets released from restriction”), and $13,666 for 2011 and 2010 as in-kind rent expense (included in “Operating leases”). The Blood Connection has an option to renew the lease for an additional 5 years under the original lease term. This option to renew in 5-year intervals shall continue indefinitely until terminated at the option of either party by giving notice 90 days prior to the end of the current option period. The Blood Connection has constructed a 5,000 square foot donor facility on this property.

The Blood Connection also leases operating space and equipment under leases which expire at various times through June 2014. Future minimum lease payments under these operating leases are as follows:

Fiscal 2011	$ 31,391
Fiscal 2012	39,600
Fiscal 2013	16,204
Fiscal 2014	8,703
	$ 95,898

Total lease expense for the years ended August 31, 2011 and 2010 was $51,728 and $44,711, respectively.

(12) Capital Lease Obligation

The Blood Connection leases equipment under a capital lease which expires in August, 2012. The lease, which is secured by the equipment, is payable in monthly installments of $384 including principal and interest imputed based on the lessor's implicit rate of return.

Minimum future lease payments under this capital lease obligation are as follows:

2012	$	4,608
Less: amount representing interest		(65)
Net present value of capital lease obligation	$	4,543

The net book value of the equipment under capital lease is $4,311 at August 31, 2011 and is included in property and equipment in the accompanying statement of financial position.

(13) Fair Value Disclosures

The Financial Accounting Standards Board ("FASB") issued a statement that defines fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that The Blood Connection has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at August 31, 2010 and 2009.

Equity Securities
These investments are valued at the closing price reported on the active market on which the individual securities are traded. These are classified within Level 1 of the valuation hierarchy.

Interest Rate Swap
Fair value for the interest rate swaps is determined on a recurring basis based on inputs that are readily available in public markets or can be derived from information available in publically quoted markets and are classified Level 2 of the valuation hierarchy.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Blood Connection believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level the fair value hierarchy of The Blood Connection's assets and liabilities accounted for at fair value on a recurring basis as of August 31, 2011 and 2010:

	Fair value measurements at August 31, 2011 using:		
	(Level 1)	**(Level 2)**	**(Level 3)**
Assets measured at fair value:			
Investments:			
Equity securities:			
Consumer discretionary	$ 929,871	$ -	$ -
Consumer staples	701,883	-	-
Energy	1,012,995	-	-
Financials	815,835	-	-
Healthcare	783,420	-	-
Industrials	789,920	-	-
Materials	503,277	-	-
Technology	1,065,559	-	-
Telecommunications	264,777	-	-
Utilities	158,082	-	-
Mutual funds	211,198	-	-
Other	143,834	-	-
Total assets at fair value	$ 7,380,651	$ -	$ -

	Fair value measurements at August 31, 2010 using: (Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:			
Investments:			
Equity securities:			
Consumer discretionary	$ 674,190	$ -	$ -
Consumer staples	660,651	-	-
Energy	987,842	-	-
Financials	1,125,547	-	-
Healthcare	888,023	-	-
Industrials	774,506	-	-
Materials	410,622	-	-
Technology	1,164,137	-	-
Telecommunications	582,276	-	-
Utilities	143,340	-	-
Mutual funds	181,620	-	-
Other	171,991	-	-
Total assets at fair value	$ 7,764,745	$ -	$ -
Liabilities measured at fair value:			
Interest rate swap liabilities	$ -	$ (571,881)	$ -

The determination of fair value above incorporates various factors, including not only the credit standing of the counterparties involved and the impact of credit enhancements, but also the impact of the Blood Connection's nonperformance risk on its liabilities.

(14) Restrictions on Net Assets

Temporarily restricted net assets consist of donated lease receivable related to The Blood Connection's Oconee land lease (See Note 11).

(15) Subsequent Events Evaluation

Subsequent to year end, The Blood Connection is in the process of obtaining bids related to the construction of a donation center in Spartanburg, South Carolina with a budgeted cost of approximately $1.1 million and has signed nine contracts totaling approximately $383,000. Capital reserves will be used to fund this project.

The Blood Connection evaluated the effect subsequent events would have on the financial statements through November 29, 2011, which is the date the financial statements were available to be issued.