

City of Hope™

2012 SUMMARY REPORT

100

MILLION PEOPLE

City of Hope scientists helped create medicines that benefit 100 million people worldwide each year.

15

FIRST-IN-HUMAN CLINICAL TRIALS

City of Hope has created a pipeline of novel therapeutics, with more than 35 small molecules, natural products, transformed cells or monoclonal antibodies now in development. In the past five years alone, we have conducted 15 first-in-human clinical trials.

30,000

EXTRA YEARS OF LIFE

City of Hope has performed more than 11,000 hematopoietic stem cell transplants. Our patients, on average, are the most acutely ill and yet we have the best overall outcomes of any U.S. transplant center. We estimate that the cumulative impact of this work is about 30,000 extra years of life.

500

SHARED RESEARCH PROJECTS

City of Hope is, by nature, highly collaborative. Our scientists are working with colleagues at more than 400 institutions worldwide and have more than 500 shared research projects.

23,853

PATIENTS TREATED

\$1.7B

NET ASSETS

\$301.8M

ROYALTIES AND RESEARCH GRANTS

\$737.4M

NET PATIENT SERVICE REVENUES

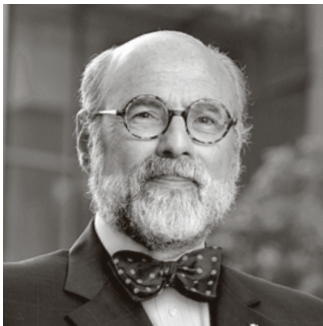
LEADERSHIP MESSAGE

City of Hope's fiscal year 2012 launched the first year of a strategic focus on building on our historic strengths, while positioning the institution for a future of new opportunities and challenges.

To excel in a rapidly evolving scientific and health-care environment, we must be both innovative and disciplined. Our 2013-2022 strategic plan calls for City of Hope to grow clinical areas of excellence such as our renowned programs in hematology and bone marrow transplantation, breast cancer and prostate cancer. It is our blueprint for working

collaboratively to turn science into practical benefit for patients. The plan also provides clear priorities to continue our heritage of supporting our outstanding scientific faculty and programs, providing superb patient care, offering vital education programs and improving health in the community.

As world class providers of cancer treatments and cures, fueled by the leading research of our Beckman Research Institute, City of Hope's financial results allow us to focus on fulfilling our mission and meeting the future with strength and optimism.



Michael A. Friedman



Robert Stone

Sincerely,

Handwritten signature of Michael A. Friedman in black ink.

Michael A. Friedman, M.D.
Chief Executive Officer
Director, Comprehensive
Cancer Center
Irell & Manella Cancer Center
Director's Distinguished Chair

Handwritten signature of Robert Stone in black ink.

Robert Stone
President

PATIENT INFORMATION

For fiscal years beginning October 1 and ending September 30
(dollar amounts in thousands)

	2012	%	2011	%
Charges for Patient Services				
Medicare	\$ 685,068	31.4%	\$ 547,177	30.3%
Indemnity insurance	16,176	0.7%	15,896	0.9%
Managed care contracts	1,104,876	50.6%	880,785	48.6%
Subsidized care	377,924	17.3%	363,746	20.1%
Total	\$2,184,044	100.0%	\$1,807,604	99.9%

Patients Treated

(based on admissions)

Patients treated during year	23,853	23,437
Admissions	6,187	6,020
Adjusted patient days	111,970	103,771
Outpatient and infusion visits*	181,793	156,825
Surgery cases*	18,238	10,146
Bone marrow transplants	549	487

* Fiscal year 2011 includes four months of data for the Medical Foundation and fiscal year 2012 includes 12 months of data for the Medical Foundation. All other categories are for the Medical Center only.

COMBINED STATEMENTS OF FINANCIAL POSITION

For fiscal years beginning October 1 and ending September 30
(amounts in thousands)

	2012	2011
Assets		
Current Assets		
Cash and cash equivalents	\$ 78,509	\$ 80,585
Investments	483,468	382,511
Patient accounts receivable, less allowances for uncollectible accounts of \$12,557 in 2012 and \$5,254 in 2011	130,961	113,265
Grants and other receivables	34,990	11,836
Donor restricted unconditional promises to give, net	12,938	14,716
Prepaid and other	18,067	20,974
Total current assets	758,933	623,887
Property, plant and equipment , net of accumulated depreciation of \$478,955 in 2012 and \$426,038 in 2011	600,226	580,747
Other Assets		
Investments	8,421	6,422
Board designated investments	523,640	445,215
Bond trust funds	12,320	12,320
Donor restricted assets	190,175	175,744
Other assets	60,297	55,817
Total other assets	794,853	695,518
Total Assets	\$2,154,012	\$1,900,152
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 144,770	\$ 158,500
Long-term debt, current portion and accrued interest	13,540	12,725
Total current liabilities	158,310	171,225
Long-term Debt , net of current portion and unamortized discount of \$1,360 and \$1,488 as of September 30, 2012 and 2011, respectively	239,631	246,843
Annuity and Split-interest Agreement Obligations	18,133	18,339
Other	37,687	29,492
Total liabilities	453,761	465,899
Commitments and Contingencies		
Net Assets		
Unrestricted	1,445,433	1,205,422
Restricted	254,818	228,831
Total net assets	1,700,251	1,434,253
Total Liabilities and Net Assets	\$2,154,012	\$1,900,152

COMBINED STATEMENTS OF ACTIVITIES

For fiscal years beginning October 1 and ending September 30
(amounts in thousands)

	2012	2011 [†]
Revenues		
Net patient service revenues	\$ 737,359	\$ 602,884
Contributions and net special event revenues	95,359	82,356
Royalties and research grants	301,802	278,220
Other	59,033	49,168
Total revenues	1,193,553	1,012,628
Expenses		
Program services	819,249	721,649
Supporting services	197,795	179,479
Total expenses	1,017,044	901,128
Operating income	176,509	111,500
Change in net unrealized gain on investments	89,489	(54,392)
Change in net assets	265,998	57,108
Net assets, beginning of year	1,434,253	1,377,145
Net assets, end of year	\$1,700,251	\$1,434,253

† Certain 2011 amounts have been reclassified to conform to the 2012 presentation.

COMBINED STATEMENTS OF CASH FLOW

For fiscal years beginning October 1 and ending September 30
(amounts in thousands)

	2012	2011 [†]
Cash flows from operating activities		
Changes in net assets	\$ 265,998	\$ 57,108
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	56,118	49,064
Net change in operating investments	(221,817)	87,053
Other changes in operating assets and liabilities	(63,292)	12,642
Total adjustments	(228,991)	148,759
Net cash provided by operating activities	37,007	205,867
Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	2,609	1,942
Additions to property, plant and equipment	(72,495)	(76,814)
Acquisition of other long-term assets	-	(49,096)
Change in investments and other	27,984	(243,028)
Net cash used in investing activities	(41,902)	\$(366,996)
Cash flows from financing activities		
Net cash provided by financing activities	2,819	14,177
Net change in cash and cash equivalents	(2,076)	(146,952)
Cash and cash equivalents, beginning of year	80,585	227,537
Cash and cash equivalents, end of year	\$ 78,509	\$ 80,585

[†] Certain 2011 amounts have been reclassified to conform to the 2012 presentation.

**City of Hope and
Beckman Research
Institute**

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