

CITY OF HOPE 2017 ANNUAL REPORT

BRINGING
TOMORROW'S
DISCOVERIES
TO THE PEOPLE
WHO NEED THEM
TODAY

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MESSAGE FROM

THE PRESIDENT AND CEO



When an institution brings together leading-edge science, the best and brightest minds, unmatched compassionate care and state-of-the-art facilities, miraculous things happen.

That's the story of City of Hope.

Time and again, our researchers and clinicians have conceived new theories, pioneered new drugs, developed new treatments and achieved stunning breakthroughs that have turned cherished hope into saved lives.

We made headlines in late 2016 when a patient with glioblastoma, one of the most aggressive brain tumors, was successfully treated with his own genetically modified immune cells. We were the first to introduce CAR T cells directly into the tumor site, and we see tremendous potential for this treatment in a variety of patients.

In these pages you will also read about our alliance with Translational Genomics Research Institute (TGen) to deliver on the promise of precision medicine; advances in preventing graft-versus-host-disease, a dangerous byproduct of stem cell transplants for leukemia and lymphoma; the pairing of our new cancer vaccine with a clinical drug that may reactivate the immune system to quickly clear out cancer cells; and our ambitious goal to cure type 1 diabetes within six years.

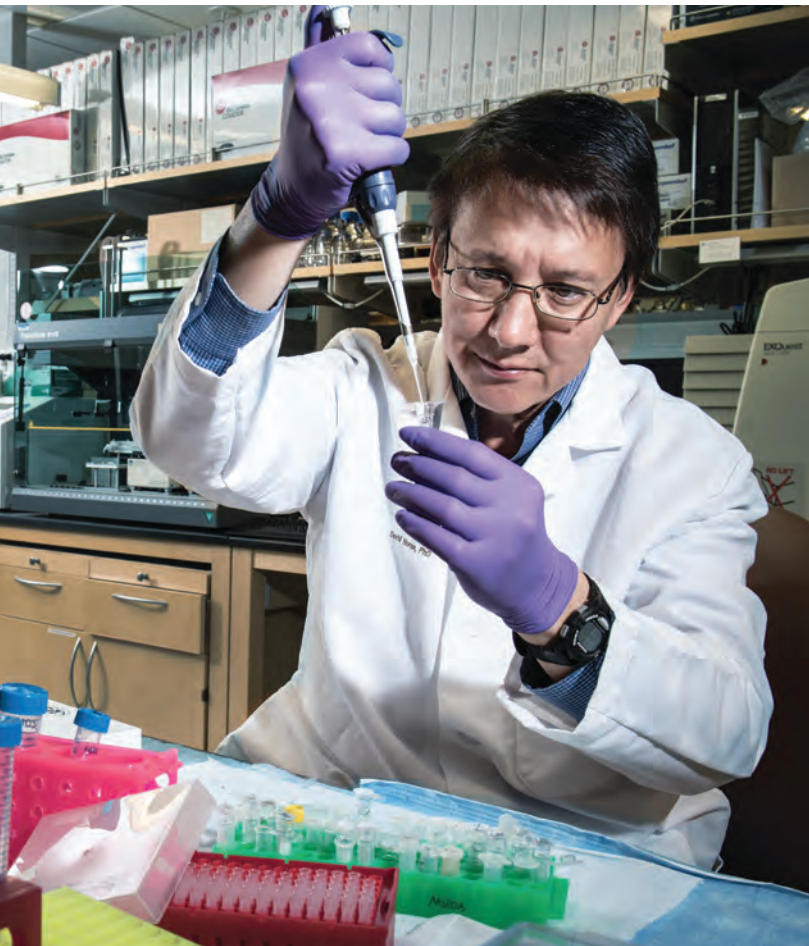
Going forward, we aim to do even more, as we accelerate our impact for the benefit of humanity.

Yet we know that no one institution can cure cancer or diabetes alone. We believe in bringing together institutions, individuals and communities to create a healthier tomorrow. We are partners in this momentous journey, and the work we are pursuing now has the potential to transform all of our tomorrows.

A handwritten signature in black ink, appearing to read 'R Stone', with a stylized flourish at the end.

Robert W. Stone

PRESIDENT AND CHIEF EXECUTIVE OFFICER
CITY OF HOPE



OUR MISSION

City of Hope is transforming the future of health. Every day we turn science into practical benefit. We turn hope into reality. We accomplish this through exquisite care, innovative research and vital education focused on eliminating cancer and diabetes.

© City of Hope 2012



POINTS OF DISTINCTION

INSTITUTIONAL DISTINCTIONS

City of Hope is one of only 49 comprehensive cancer centers in the nation, the highest designation possible from the National Cancer Institute.

City of Hope is a founding member of the National Comprehensive Cancer Network, meaning our research and treatment protocols advance care throughout the nation.

City of Hope has earned its eighth consecutive Press Ganey Guardian of Excellence Award.

We were the first to administer CAR T cell therapy locally in the brain through direct injection to the tumor site and/or through infusion in the ventricular system.

A RECORD OF INNOVATION

Millions of people with diabetes benefit from synthetic human insulin, developed through research conducted at City of Hope.

City of Hope is a national leader in islet cell transplantation, which has the potential to reverse type 1 diabetes.

In addition, we provide islet cells for research at other institutions throughout the U.S.



HOME OF THE POWER M
MATHNA

2017 INVESTMENTS IN COMMUNITY BENEFIT

\$234 million

**Total Value of
Community Benefit
Investments**

Including funds dedicated to health research, education and training; medical care and service; and benefits for the broader community

Figure has been rounded to the nearest whole number.

CAR T

With CAR T cell therapy, City of Hope physicians and researchers are enlisting your own immune system to fight cancer



A Legacy of Innovation

Our history with CAR T cell therapy dates to the late 1990s and builds on Stephen J. Forman, M.D.'s pioneering work in bone marrow transplantation (BMT).

The City of Hope BMT program began in 1976 and has since grown into one of the largest, most successful programs of its kind in the United States. To date, more than 14,000 BMTs have been performed at City of Hope, with survival rates exceeding expectations for the past 13 consecutive years.

Currently, we are investigating CAR T cell therapy as a bridge to BMT for leukemia and lymphoma patients and are unique in our research of CAR T in combination with transplant.

Glioblastoma is among the deadliest of human cancers and comes with a devastating prognosis for patients, since current treatment options often have poor outcomes.

City of Hope is one of a few cancer centers in the United States offering studies in CAR T cell therapy. It is the only cancer center investigating CAR T cells that target the high-affinity IL-13 receptor (IL13RD2), overexpressed in a majority of glioblastomas. City of Hope is also administering the therapy locally in the brain, by direct injection to the tumor site and/or through infusion into the ventricular system.

Based on the early successful results seen in the phase 1 trial for intracranial CAR T cell therapy, the researchers see enormous potential for a remarkable impact on a wide variety of patients. They remain encouraged that this promising treatment also greatly improves quality of life by preserving patients' neurological function and minimizing the toxic side effects of other treatments.

Few institutions are capable of harnessing the same comprehensive "bench to bedside" resources necessary for the discovery, development, manufacturing, quality assurance, testing and deployment of leading-edge treatments.



14

The number of CAR T clinical trials currently ongoing

202

The number of patients treated with CAR T cell therapy at City of Hope

2

The number of CAR T cell therapies currently approved by the Food and Drug Administration
(City of Hope is the only institution in Southern California to currently offer both)

TGEN

City of Hope has joined forces with TGen to shape the future of precision medicine



What Is Precision Medicine?

Researchers use individual variations in genes, environment and lifestyle to develop diagnostics, prognostics and therapies to target, treat and monitor chronic and life-threatening conditions.

The ability to better diagnose, treat, cure and prevent diseases depends on:

- Understanding the genetic cause of the diseases
- Understanding why individuals respond to different therapies
- Understanding who is at highest risk for different diseases
- Translating this information into new targeted diagnostic tests, therapeutics and the ability to detect disease early and track its progression specific to the individual

City of Hope has joined forces with Translational Genomics Research Institute (TGen) to accelerate the speed with which scientists and medical staff can convert research discoveries into cures for patients.

The alliance is based on a simple premise: City of Hope will provide a state-of-the-art clinical setting in which to advance the scientific breakthroughs made by TGen.

It's all part of the organizations' efforts to augment their expertise in precision medicine, an important emerging approach for both disease prevention and the treatment of complex conditions.

City of Hope and TGen will collaborate to develop Personalized Hope, a comprehensive program to detect disease sooner and improve patient quality of life and survival. They will focus their respective strengths in immunotherapy and genomics to rapidly gain new insights into immune function and expand opportunities for the design of new therapeutic interventions.

In short, they will bring their expertise to bear on destroying a common enemy: cancer.



0

The number of people with the same genetic makeup as you

200

The number of different types of cancer known to science

2015

Launch year of the Cancer Moonshot program, which prioritizes precision medicine

\$1 billion

The price of sequencing the human genome for the first time. It can now be done for thousands.

TYPE 1

Inside City of Hope's mission to cure type 1 diabetes in six years



Diabetes & Metabolism Research Institute at City of Hope

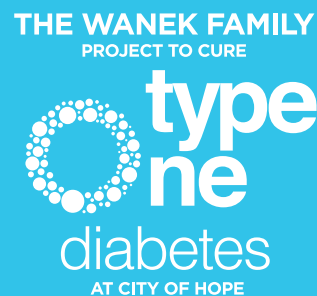
The Diabetes & Metabolism Research Institute's primary goals include:

- **Understanding the genetic and molecular signaling mechanisms that lead to diabetes and its complications**
- **Advancing islet cell transplantation and related treatments for type 1 diabetes by developing better methods to prevent rejection and cure autoimmunity and by developing improved sources of islets or insulin-producing beta cells**
- **Developing drugs that precisely target the receptor molecules responsible for diabetes**
- **Designing interventions that address molecular targets common to both diabetes and cancer, through targeted, personalized pharmacotherapy**

Diabetes affects over 422 million people worldwide according to the World Health Organization, but no two patients are alike. So in 2017 and beyond, treatments will increasingly make use of precision medicine to personalize treatment options. At City of Hope, researchers are using a transformative gift to speed these treatments to patients.

On Jan. 16, 2017, the Wanek family bestowed the Diabetes & Metabolism Research Institute at City of Hope with a significant contribution to support the institution's goal of curing type 1 diabetes in six years and create The Wanek Family Project for Type 1 Diabetes. The Wanek Project will be led by Bart O. Roep, Ph.D., who is the Chan Soon-Shiong Shapiro Distinguished Chair in Diabetes and the founding chair of the Department of Diabetes Immunology within the Diabetes & Metabolism Research Institute.

Other distinguished City of Hope diabetes research faculty who will lead these efforts include: Arthur D. Riggs, Ph.D., Samuel Rahbar Chair in Diabetes & Drug Discovery; Fouad R. Kandeel, M.D., Ph.D.; Rama Natarajan, Ph.D., National Business Products Industry Professor in Diabetes Research; Debbie C. Thurmond, Ph.D., Ruth B. & Robert K. Lanman Chair in Gene Regulation and Drug Discovery Research; and Defu Zeng, professor, Department of Diabetes Immunology and Department of Hematology & Hematopoietic Cell Transplantation.



6

The number of years it will take to cure type 1 diabetes, according to City of Hope researchers

The amount of private donations funding the Wanek Project
\$50 MILLION

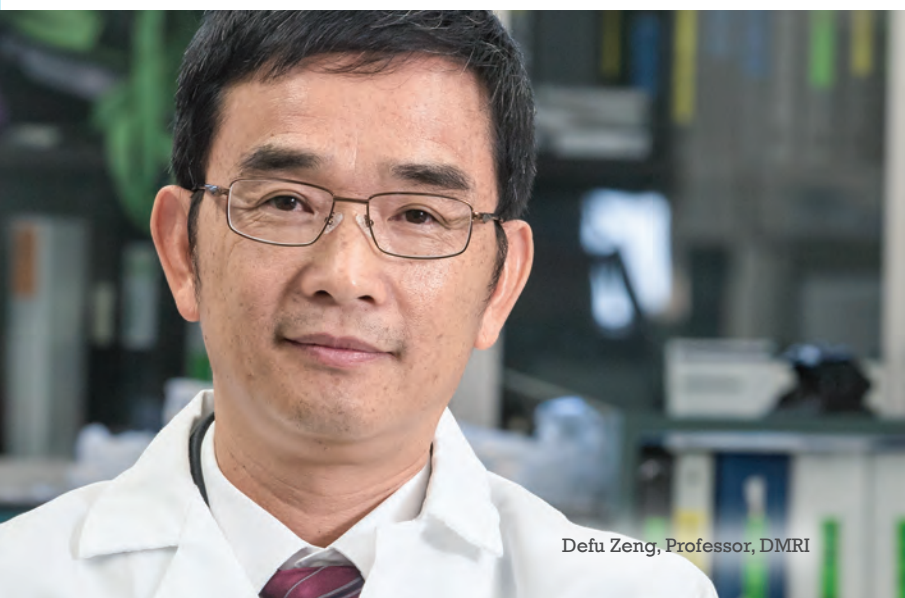
HUNDREDS OF MILLIONS
The number of people helped by synthetic human insulin, developed from our research



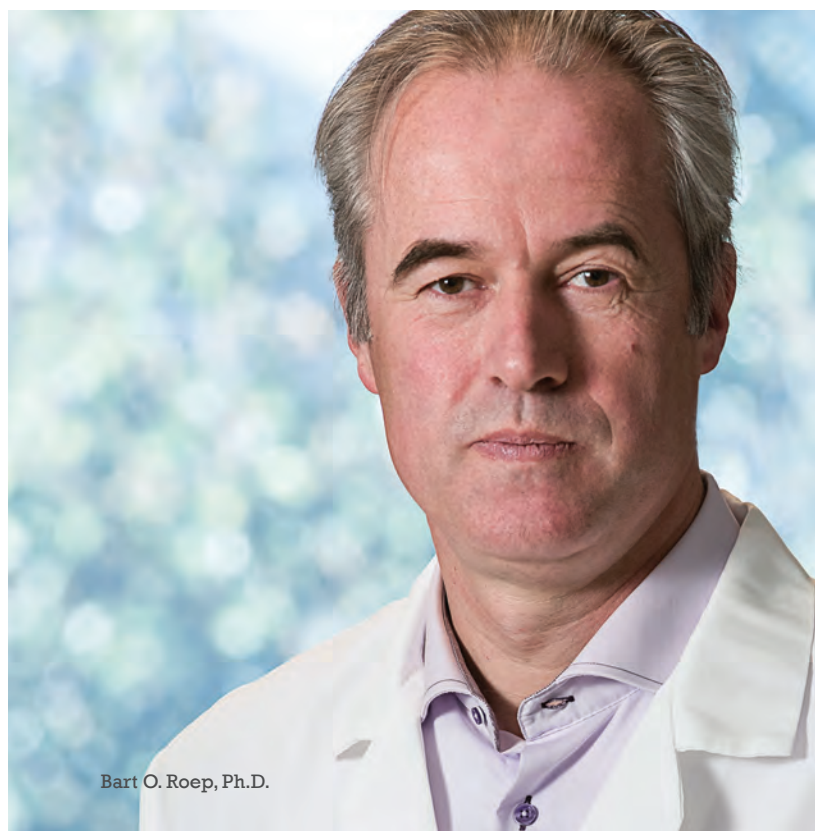
Arthur D. Riggs, Ph.D.



Debbie C. Thurmond, Ph.D.



Defu Zeng, Professor, DMRI



Bart O. Roep, Ph.D.



Rama Natarajan, Ph.D.



Fouad R. Kandeel, M.D., Ph.D.

RESEARCH

Meet a few of the physicians and scientists who are bringing tomorrow's discoveries to the people who need them today.



**\$87.8
MILLION**

**Amount of
grant money
awarded to
our faculty
in 2017**

10

**The number of
consecutive years we've
appeared on *U.S. News
& World Report's*
list of "Best Hospitals"
for cancer**

11,000

**The number of
robotic procedures
our surgeons have
completed**

STEPHEN J. FORMAN, M.D.

City of Hope has one of the most comprehensive CAR T cell therapy programs in the world, but our history with CAR T cell therapy dates to the late 1990s and builds on Stephen J. Forman, M.D.'s pioneering work in bone marrow transplantation (BMT). Forman, the Francis & Kathleen McNamara Distinguished Chair in Hematology and Hematopoietic Cell Transplantation at City of Hope, continues to lead our CAR T efforts, translating leading-edge research into treatments for patients.

BEHNAM BADIE, M.D., AND CHRISTINE BROWN, PH.D.

A landmark case study published in the *New England Journal of Medicine* outlined the successful treatment results of a City of Hope patient with glioblastoma. The patient was treated with his own genetically modified chimeric antigen receptor — or CAR T — cells using central memory T cells, a stem cell-like subset of immune cells.

The study was led by neurosurgeon Behnam Badie, M.D., chief of neurosurgery at City of Hope; scientist Christine Brown, Ph.D., Heritage Provider Network Professor in Immunotherapy and associate director of the T Cell Therapeutics Research Laboratory at City of Hope; and Stephen J. Forman, M.D., Francis & Kathleen McNamara Distinguished Chair in Hematology and Hematopoietic Cell Transplantation.



Stephen J. Forman, M.D.



Behnam Badie, M.D., and Christine Brown, Ph.D.

LINDA MALKAS, PH.D.

Linda Malkas, Ph.D., dean of translational research and the M.T. & B.A. Ahmadinia Professor in Molecular Oncology, has been appointed to the governing board of the California Institute for Regenerative Medicine (CIRM).

As a board member, Malkas will be charged with adopting scientific, medical, ethical and intellectual property policies, making decisions on grant loans and awards, and overseeing the general operations of CIRM.

ELIZABETH LIHUA BUDDE, M.D., PH.D.

Elizabeth Lihua Budde, M.D., Ph.D., recently revealed that patients whose acute myeloid leukemia was no longer responding to standard therapies, along with a patient with a rare blood cancer called blastic plasmacytoid dendritic cell neoplasm (BPDCN), achieved a complete response after undergoing treatment with a CAR T cell therapy developed at City of Hope.

The BPDCN patient is the first to achieve a complete response to a CAR T cell therapy.

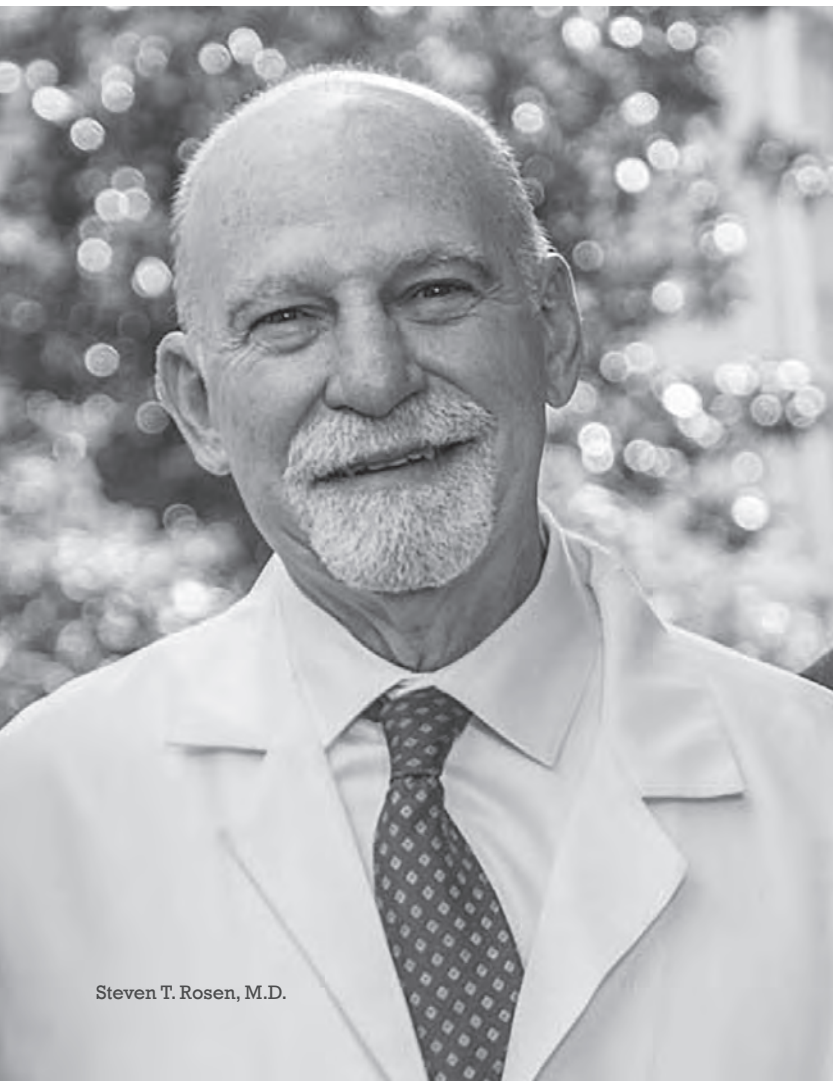
STEVEN T. ROSEN, M.D.

Provost and Chief Scientific Officer Steven T. Rosen, M.D., Irell & Manella Cancer Center Director's Distinguished Chair, was named a fellow by the American Society of Clinical Oncology, an honor earned by fewer than 200 of the organization's more than 40,000 members.

The FASCO (Fellow of the American Society of Clinical Oncology) designation is given to members in recognition of their extraordinary dedication to voluntary efforts that support the ongoing enhancement of patient care.



Linda Malkas, Ph.D.



Steven T. Rosen, M.D.



Elizabeth Lihua Budde, M.D., Ph.D.

NEW HOPE

MARKUS MÜSCHEN, M.D., PH.D.

Hailed as one of the best researchers of his generation, Markus Müschen, M.D., Ph.D., has joined City of Hope with the singular goal of wiping out acute lymphoblastic leukemia (ALL), the most common form of cancer in children. To achieve this goal, Müschen, The Norman and Sadie Lee Foundation Endowed Professor in Pediatrics, will lead the newly founded Department of Systems Biology, which will leverage the power of computational biology for the discovery of better drugs for children with ALL.

RICK KITTLES, PH.D.

Rick Kittles, Ph.D., has joined City of Hope as professor and founding director of the Division of Health Equities within the Department of Population Sciences. Kittles's research focuses on understanding the complex issues surrounding race, genetic ancestry and disease, particularly health disparities among different ethnicities.

"I noticed that there's an enormous opportunity here in Southern California for disparity research and interventions," he said. "It was an opportunity to take my work to the next level."



Markus Müschen, M.D., Ph.D.



Rick Kittles, Ph.D.



Finding the next breakthrough treatment or game-changing innovation requires a constant infusion of new thinking, fresh perspective and youthful energy. City of Hope takes special pride in recruiting the best young clinicians and researchers from near and far.

Here are just a few of them:

From left to right: Robert S. Kang, M.D., M.P.H., Diana Londoño, M.D., Niki Tank Patel, M.D. (seated), Mina Sedrak, M.D., M.S., Amy Polverini, M.D., Dustin Schones, Ph.D., Lesley Taylor, M.D., Veronica Jones, M.D. (seated), Saul Priceman, Ph.D.

ROBERT S. KANG, M.D., M.P.H.

Head and neck cancer surgery is a rare and complex subspecialty requiring extraordinary skill. Robert Kang, M.D., M.P.H., handles the challenge masterfully and his patients are grateful.

Off-duty, Kang keeps those talented fingers busy as keyboardist/guitarist for the indie rock band Help The Doctor. Catch them at their next gig — or just hang out in the lobby.

DIANA LONDOÑO, M.D.

The death of her father motivated Diana Londoño, M.D., to enter medical school, to specialize in the male-dominated (over 90 percent) urology field and above all, “to make sure and keep in mind a patient’s dignity during illness. Sometimes as doctors, nurses, we become so automated, busy, that we forget.”

Londoño never forgets that the poor and underserved deserve their dignity as well.

NIKI TANK PATEL, M.D.

For more than a decade, medical oncologist Niki Tank Patel, M.D., had a regular haunt: Mumbai, India.

She volunteered for a nonprofit organization that provides free basic health care to India’s underprivileged children.



"I saw how much just a few words or a touch could help anxious parents and sick kids," she said. "I went to medical school with this dreamy ideal in my head."

MINA SEDRAK, M.D., M.S.

As an innovator, Mina Sedrak, M.D., M.S., solves problems by thinking in unconventional ways. His research focuses on developing novel strategies that leverage technology to improve clinical trial participation among older adults with cancer. "Technology may provide a new infrastructure that allows investigators to interact with the public in new ways," he said, "including stimulating interest in new clinical trials, matching patients to the right trial and promoting research participation."

AMY POLVERINI, M.D.

"I learned very early," said Amy Polverini, M.D., "that the intellectual stimulation of medicine coupled with the privilege and responsibility to help others make the surgical field both unique and fulfilling each and every day." Polverini chose to specialize in breast cancer surgery for its immediate and profound impact on people's lives. "I see it as a privilege to walk alongside patients as they soldier through the difficult process of diagnosis, treatment and beyond."

DUSTIN SCHONES, PH.D.

Dustin Schones, Ph.D., focuses his work on how environmental factors interact with an individual's genetic makeup to contribute to the development of diseases like diabetes and cancer. His research suggests that an unhealthy diet may permanently alter a person's genome, leaving them susceptible to diabetes and other diseases. Sobering information, but it's also an important first step. "Very soon," he said, "we will be able to use this insight to provide tailored therapies to individual patients."

LESLEY TAYLOR, M.D.

During her residency, Lesley Taylor, M.D., put a team together to bring sophisticated cancer care to a remote town in Ecuador. Her next stop was a village on the outskirts of Addis Ababa, Ethiopia. "I have a strong interest in global health," she said, "particularly eliminating disparities in cancer care. I feel strongly that it is vital for us to think globally about addressing disparities so that men and women do not have to die from this potentially curable disease."

VERONICA JONES, M.D.

Veronica Jones, M.D., is the first African-American woman to complete the challenging surgical residency program at Baylor University in Dallas. Along the way, she was voted "Chief of the Year." And her pioneering days are far from over. Jones is focused on improving surgical techniques to preserve tissue, shorten recovery time and help patients return to their normal lives. "People here are always thinking about how to push the limits and go beyond what is accepted and known about cancer, and I want to be a part of that."

SAUL PRICEMAN, PH.D.

The multiple award-winning Saul Priceman, Ph.D., is one of City of Hope's resident CAR T cell specialists, reprogramming immune cells to detect and destroy some of the most challenging solid tumors, especially in prostate cancer and metastatic breast cancer. He finds City of Hope to be the ideal environment for this work. "It's a small place with a big heart," he said. "I can't imagine doing what I do anywhere else in the world."

SURVIVORS

ANNE CLARK

As the Los Angeles Police Department's first female Hispanic commander, Anne Clark takes nothing for granted. She has spent the past 30 years with the law enforcement agency — where she's worked on a range of assignments, from patrol to vice to internal affairs, and has experienced her share of life-threatening moments over the years.

During her cancer journey, Clark often felt fatigued, battled severe headaches and could barely eat, but she never lost sight of what was most important to her.

Also helping was the support of hundreds of police officers and other LAPD employees who signed up to do whatever they could to help her get through her treatment, which included two weeks of radiation.

"It was a pretty remarkable show of solidarity," Clark said. "It made me realize that material things are just that — material things. What matters are your family and the people that you have relationships with."

MARK PAOLERA

For a few years, Mark Paolera had been dealing with a strange feeling in his chest. It wasn't painful, just ... odd. But when he began to experience coughing, night sweats and lumps in his neck, tests revealed a Stage 2 Hodgkin lymphoma diagnosis. After two months of chemo, he went into remission. Unfortunately, the cancer came back. This time, he underwent a stem cell transplant. Again, the cancer returned.

Frustrated by his options, Paolera sought out the latest treatment advances available, and found his way to City of Hope. Here, Paolera began receiving immunotherapy, which worked for a while, but then stopped being effective.

Luckily the Food and Drug Administration had recently approved nivolumab, a promising new immunotherapy drug. After just three treatments on the drug, Paolera's cancer was once again declared in remission.

STACEY KIMMEL

In 2006, Stacy Kimmel was driving cross country to a new job in Nashville, Tennessee, when she first felt a painful, burning sensation in her chest.

Days later, she was diagnosed with early-stage breast cancer and underwent a bilateral mastectomy. During the mastectomy, doctors discovered the cancer was not local as they suspected, but had breached the ductwork.

It was the first of several dizzying developments and diagnoses for Kimmel, including breast cancer that metastasized to her brain — twice. At this point, she has been diagnosed with breast cancer five times.

Now, almost 12 years since she was first diagnosed, Kimmel takes each difficult chapter in her cancer story in stride. She gets a boost from her faith that however the next chapter unfolds, there will be an option for her at City of Hope.



Anne Clark



Stacey Kimmel

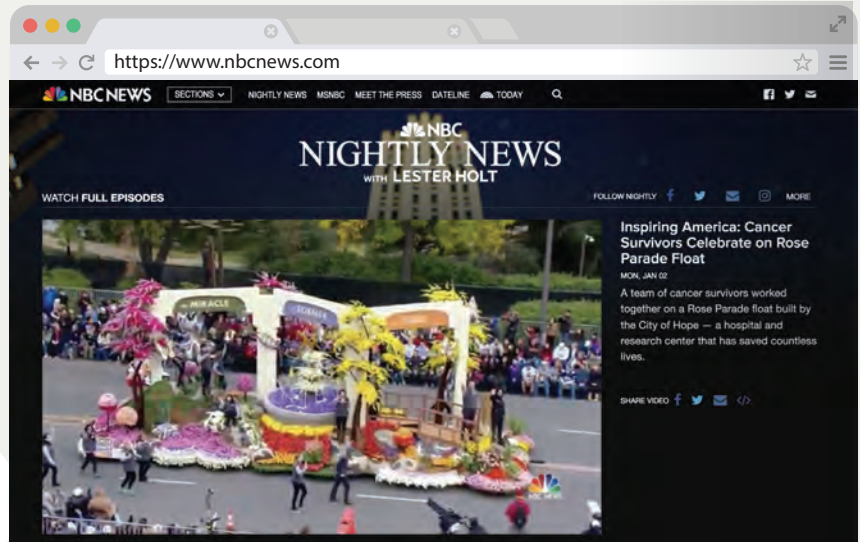


Mark Paolera

NEWS



NBC

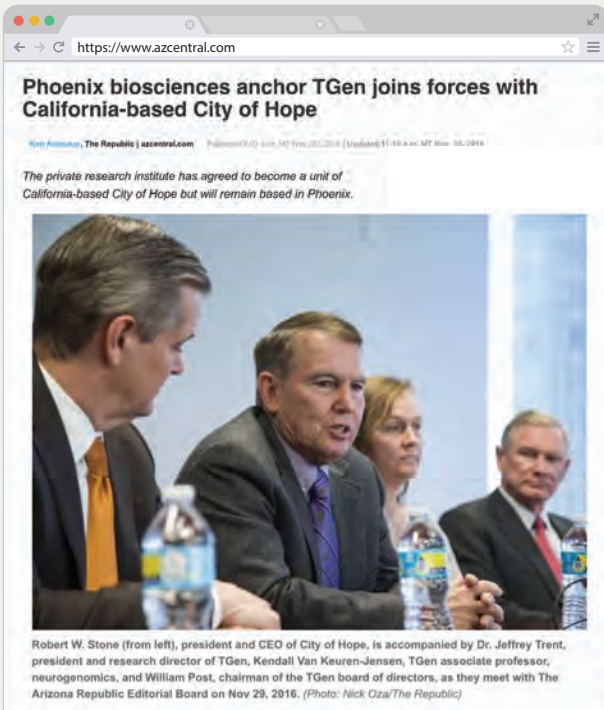
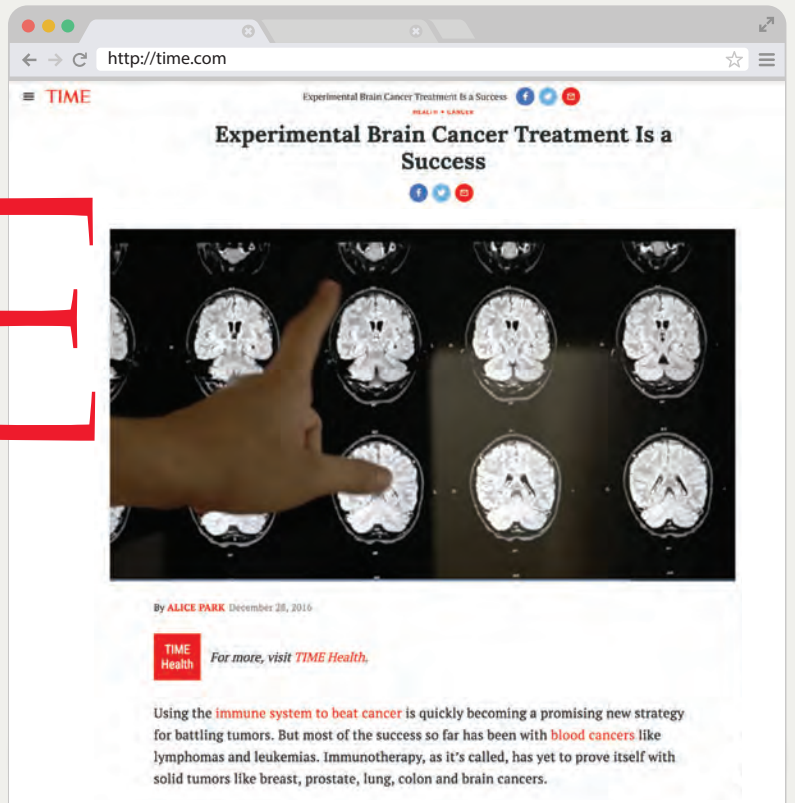


CITY OF HOPE WAS FEATURED ON “NBC NEWS WITH LESTER HOLT” IN A SEGMENT DEDICATED TO THE INSPIRING STORIES OF THE PATIENTS FEATURED ON OUR ROSE PARADE FLOAT.



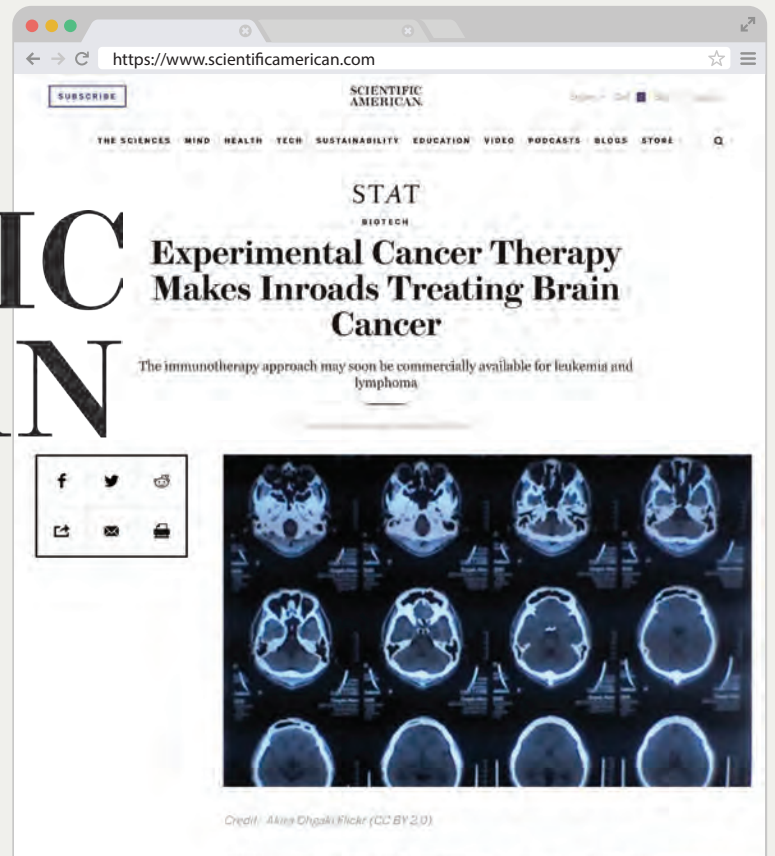
DOZENS OF MEDIA OUTLETS COVERED CITY OF HOPE'S FINDING THAT LOW-DOSE ASPIRIN CAN REDUCE THE RISK OF BREAST CANCER IN WOMEN.

TIME



CITY OF HOPE'S PARTNERSHIP WITH TRANSLATIONAL GENOMICS RESEARCH INSTITUTE (TGEN) WAS FEATURED IN NUMEROUS NEWS OUTLETS.

SCIENTIFIC AMERICAN



CITY OF HOPE'S REVOLUTIONARY BREAKTHROUGH USING CAR T CELL THERAPY TO TREAT GLIOBLASTOMA EARNED MAJOR ATTENTION FROM THE NATIONAL MEDIA.

EVENTS

Celebrating with — and giving back to — our community is an important part of the City of Hope mission. Below are a few representative examples of the numerous events we hold on and off campus each year.

WALK FOR HOPE

On Nov. 5, 2017, nearly 10,000 supporters gathered to help raise funds and awareness for women's cancers at City of Hope's annual Walk for Hope, which supports City of Hope researchers and scientists working on new treatments that benefit women everywhere.

THINKCURE!

On Aug. 26 and 27, 2017, nine cancer survivors and their physicians took the field at Dodger Stadium to kick off City of Hope's ThinkCure! Weekend, an annual event that celebrates courageous patients and their doctors.

CELEBRITY SOFTBALL GAME

City of Hope's annual Celebrity Softball Game, held each year in conjunction with the CMA Music Festival, brings together some of Nashville's biggest stars to raise money for lifesaving cancer research and treatment.

BONE MARROW TRANSPLANT REUNION

Thousands gathered for the 41st Celebration of Life Bone Marrow Transplant Reunion, an event that has grown into an annual extravaganza that draws more than 4,000 survivors, donors and families from around the world.

SONGS OF HOPE

Songs of Hope is a unique evening honoring songwriters and composers, with live music and a silent auction. The event has raised millions of dollars for City of Hope.



Walk for Hope



Celebrity Softball Game - Billy Ray Cyrus



Bone marrow recipient Evan Braggs (left) meets his donor, Mike Cook, for the first time at the annual Bone Marrow Transplant Reunion.



ThinkCure!



Jody Horowitz Marsh, Saul Priceman, Ph.D., and Gary Marsh

PARTNERS IN HOPE

HELGA AND JURGEN HAHNEISER

Helga and Jurgen Hahneiser wanted to reduce their property ownership and management responsibilities and ensure they would receive income for their lifetimes, so they established a charitable gift annuity with proceeds from the sale of one of their properties. Their gift in support of City of Hope will make possible the discoveries of tomorrow — helping to turn science into practical benefit, and hope into reality.

WALK FOR HOPE

Industry partnerships provide the critical resources needed to advance research in order to treat patients faster. As a result of their belief in City of Hope's mission, participants in the 2017 Walk for Hope raised over \$1 million. A special thank you to our industry sponsors: Staples, BEHR, Wells Fargo, Cathay Bank, GLANCD, Technical Event Partners Inc., The Walking Company and MadEngine.

HYUNDAI HOPE ON WHEELS

Hyundai Hope On Wheels presented Beckman Research Institute of City of Hope with a \$150,000 Hyundai Young Investigator Grant. The grant funds will support the research of principal investigator Leo David Wang, M.D., Ph.D. With this latest grant, Hyundai Hope On Wheels has awarded \$350,000 to City of Hope.

THE GEORGE TSAI FAMILY CHAIR IN GERIATRIC ONCOLOGY

George Tsai and family made a generous donation to City of Hope to establish The George Tsai Family Chair in Geriatric Oncology. Arti Hurria, M.D., was announced as the inaugural holder of the chair in a special ceremony at City of Hope in August 2017.

**\$144.4
MILLION**

**The amount
of money
contributed by
our generous
partners in
2017**

THE NATALIE & DAVID ROBERTS FELLOWSHIP IN LIVER CANCER

Natalie Roberts established the Natalie & David Roberts Fellowship in Liver Cancer, in memory of her beloved husband David, who succumbed to cancer in 2012. Her gift

will provide resources to conduct research focused on the development of more effective and less harmful treatments for patients with liver cancer. David Roberts had a distinguished career in real estate development, and Natalie Roberts remains actively involved in their business.

THE FAMILY OF BEVERLY AND BEN HOROWITZ

In honor of Ben and Beverly Horowitz, the longtime chief executive officer and first lady of City of Hope, their family has donated \$1 million to promote groundbreaking immunotherapy research to combat cancer. Their son Zach and his wife Barbara, daughter Jody and her husband Gary Marsh, and cousin Stephen Meringoff and the Meringoff Family Foundation have created the "Beverly and Ben Horowitz Fund for Immunotherapy Research."

CHUCK AND EILEEN O'SHEA

Chuck O'Shea was declared in remission five years after completing immunotherapy treatment at City of Hope. He and his wife Eileen are grateful for the gift of time they have been given. As an expression of that gratitude, the couple have left a gift in their trust for City of Hope. They know that immunotherapy of the kind that saved O'Shea's life is changing the face of cancer treatment everywhere.



Jurgen and Helga Hahneiser



Walk for Hope



Jody Horowitz Marsh, Stephen Meringoff and Zach Horowitz



Leo Wang, M.D., Ph.D. (holding check on left), and the Hyundai Hope On Wheels team



David and Natalie Roberts



George Tsai and Arti Hurria, M.D.



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Jeffrey M. Trent, Ph.D.

2017
BOARD
OF
DIRECTORS

SELECTED FINANCIALS

CITY OF HOPE AND AFFILIATES COMBINED STATEMENTS OF FINANCIAL POSITION SEPTEMBER 30, 2017 AND 2016

amounts in thousands

CURRENT ASSETS:	2017	2016
Cash and cash equivalents	\$212,067	\$121,460
Investments	1,195,315	1,086,796
Patient accounts receivable, less allowances for uncollectible accounts of \$5,688 in 2017 and \$8,747 in 2016	245,192	243,508
Grants and other receivables	66,070	66,323
Donor restricted unconditional promises to give, net	49,399	22,291
Prepaid and other	46,471	32,796
Total current assets	1,814,514	1,573,174
PROPERTY, PLANT AND EQUIPMENT		
Net of accumulated depreciation of \$800,985 in 2017 and \$733,148 in 2016	861,850	722,720
OTHER ASSETS:		
Investments	313,812	357,516
Board designated investments	815,638	715,191
Donor restricted assets	514,107	449,469
Other assets	63,897	47,688
Total other assets	1,707,454	1,569,864
TOTAL ASSETS	\$4,383,818	\$3,865,758
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$253,952	\$221,560
Long-term debt, current portion	11,650	90,571
Total current liabilities	265,602	312,131
LONG-TERM DEBT, net of current portion	683,411	618,303
ANNUITY AND SPLIT-INTEREST AGREEMENT OBLIGATIONS	18,580	17,264
Other	80,795	65,711
Total liabilities	1,048,388	1,013,409
COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Unrestricted	2,788,493	2,395,357
Restricted	546,937	456,992
Total net assets	3,335,430	2,852,349
TOTAL LIABILITIES AND NET ASSETS	\$4,383,818	\$3,865,758

GROSS CHARGES FOR PATIENT SERVICES

amounts in thousands

	2017	%	2016	%
Medicare	\$1,387,865	34.6%	\$1,263,889	34.7%
Indemnity insurance	27,980	0.7%	25,000	0.7%
Managed care contracts	2,170,763	54.1%	1,858,612	51.0%
Subsidized care	425,328	10.6%	497,147	13.6%
TOTAL	\$4,011,937	100.00%	\$3,644,648	100.00%

PATIENTS TREATED

	2017	2016
Patients treated during year (Total Organization)	68,418	61,461
Admissions	6,714	6,402
Adjusted patient days	155,560	143,317
Outpatient and Infusion visits	357,329	330,742
Bone marrow transplants	757	703

CITY OF HOPE AND AFFILIATES COMBINED STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

amounts in thousands

	2017	2016
Revenues:		
Net patient service revenues	\$1,186,167	\$1,119,808
Contributions and net special event revenues	144,362	131,205
Royalties and research grants	533,200	421,503
Other	164,815	110,534
Total revenues	2,028,544	1,783,050
Expenses:		
Program services	1,382,832	1,203,831
Supporting services	389,443	285,712
Total expenses	1,772,275	1,489,543
Operating income	256,269	293,507
Change in net unrealized gain on investments	180,393	109,650
Inherent Contribution from Affiliation	46,419	-
Change in net assets	483,081	403,157
Net Assets, beginning of year	2,852,349	2,449,192
Net Assets, end of year	\$3,335,430	\$2,852,349

CITY OF HOPE AND AFFILIATES COMBINED STATEMENTS OF CASH FLOW FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

amounts in thousands

	2017	2016
Cash Flows from Operating Activities:		
Changes in net assets	\$483,081	\$403,157
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	118,861	95,094
Net change in operating investments	(196,219)	(233,677)
Inherent Contribution from Affiliation	(46,419)	-
Other changes in operating assets and liabilities	(21,110)	(65,828)
Total adjustments	(144,887)	(204,411)
Net cash (used in) provided by operating activities	338,194	198,746
Cash Flows from Investing Activities:		
Proceeds from sales of property, plant and equipment	73	978
Cash from Affiliation	10,598	-
Additions to property, plant and equipment	(201,385)	(85,812)
Change in investments and other	(54,030)	(122,354)
Net cash used in investing activities	(244,744)	(207,188)
Cash Flows from Financing Activities:		
Net cash provided by financing activities	(2,843)	(3,391)
Net increase (decrease) in cash and cash equivalents	90,607	(11,833)
Cash and Cash Equivalents, beginning of year	121,460	133,293
Cash and Cash Equivalents, end of year	\$212,067	\$121,460

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