



CONNECTIONS

2008 ANNUAL REPORT

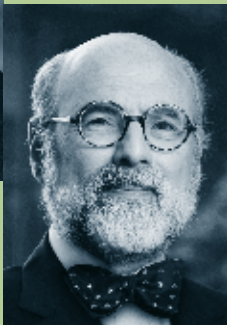


LEADERSHIP

Message



Terry R. Peets



Michael A. Friedman, M.D.

Basic science seeks truth. From biologists to chemists, basic scientists pursue the most essential facts underlying our physical world. They investigate how cells are born and how they die. They learn the details of how cells send signals to each other and how cancer cells spread. For decades, these scientists have amassed knowledge of how the human body works.

Without these scientists, there would be little understanding of how the body breaks down and how to treat it. Basic science is inexorably linked to advances in medical care.

The two are entwined, enmeshed and in tune. They are *connected*.

At City of Hope, this connection is why our Beckman Research Institute has grown so vital to our mission. Our 2007-2013 strategic plan draws on this connection, guiding us to expand in areas in which the rapid translation of discoveries from basic science to clinical care will have the most significant impact.

It is in truly excellent medical care where the fruits of this connection become most visible. Our commitment to compassionate, high-quality care touches not only our patients, but also those in our local community. Our outreach — to people locally and around the world — is another important means for us to connect the scientific and medical knowledge we gain to those who need it most.

In the pages of this report, we invite you to read about the many connections, whether philanthropic, scientific or educational, that make these advances possible.

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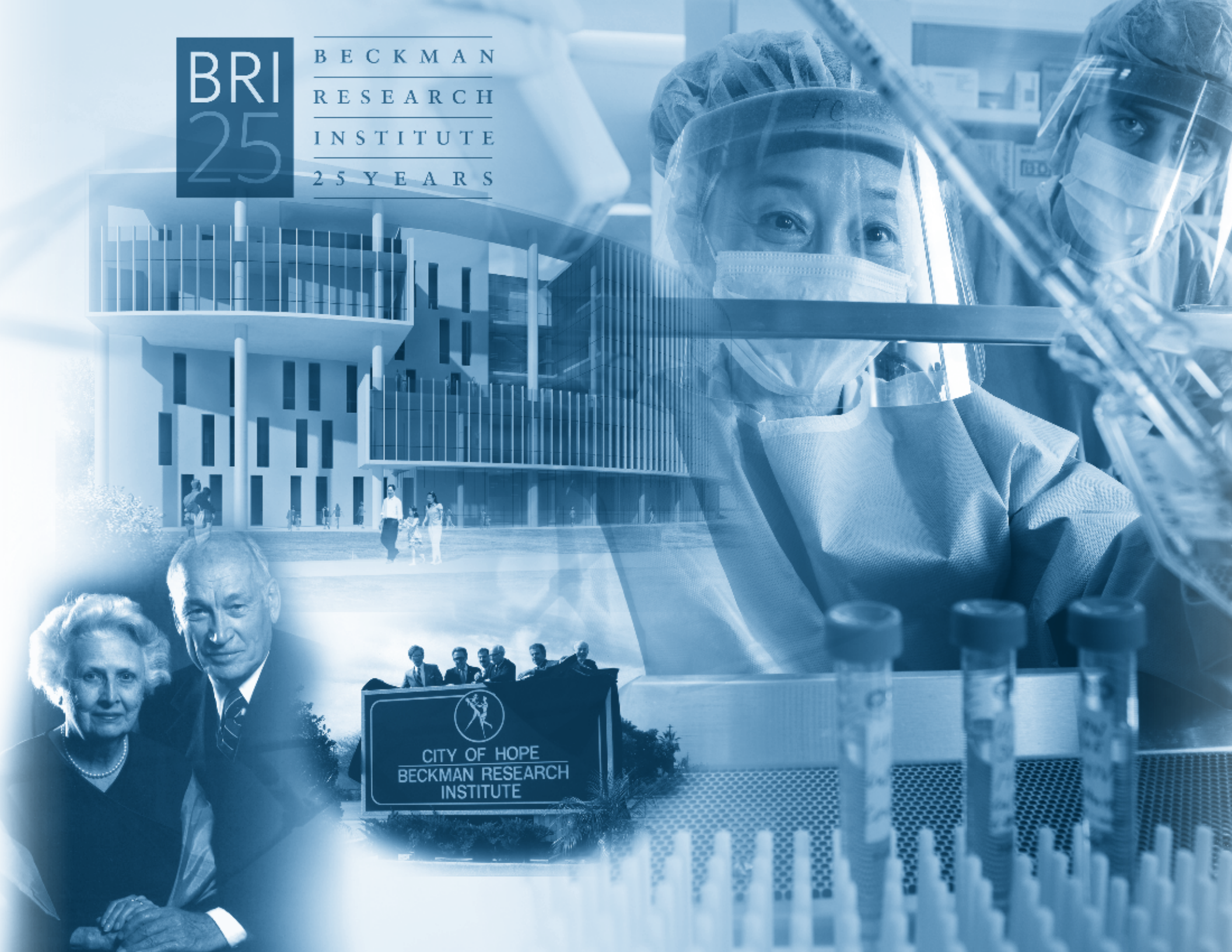
Terry R. Peets
CHAIR, BOARD OF DIRECTORS
CITY OF HOPE

Handwritten signature of Michael A. Friedman, M.D. in black ink.

Michael A. Friedman, M.D.
PRESIDENT AND CHIEF EXECUTIVE OFFICER
CITY OF HOPE

BRI
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BECKMAN
RESEARCH
INSTITUTE
25 YEARS



CITY OF HOPE
BECKMAN RESEARCH
INSTITUTE

CONNECTING

Science and Education

Renowned for biomedical research that improves human health, Beckman Research Institute of City of Hope drives innovation. Its independence and infrastructure give researchers the freedom and resources to tackle new ideas and uncover potential new treatments for life-threatening diseases including cancer, diabetes and AIDS.

Every day, Beckman Research Institute investigators seek out fundamental truths about how the body works, blazing paths for others to follow. That passion for discovery, driven by the urgent need for better therapies, threads through the institute's history and continues today.

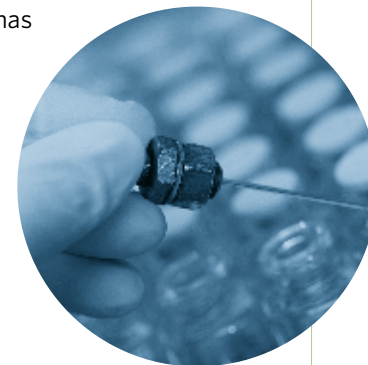
BECKMAN RESEARCH INSTITUTE: 25 YEARS OF FIRSTS

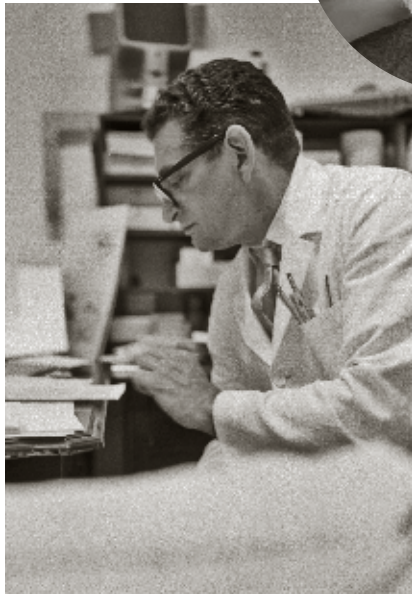
In the 1930s, promising young chemist and inventor Arnold O. Beckman, Ph.D., turned the need for better laboratory equipment into a global enterprise. But Beckman wanted to do more than manufacture precision instruments: He wanted science to connect to humanity and benefit mankind.

In 1977, he and his wife, Mabel, established a foundation dedicated to basic science research, medicine and education. The Arnold and Mabel Beckman Foundation's first major gift of \$10 million led to the creation of Beckman Research Institute of City of Hope in 1983. In the 25 years since, the institute has spawned biomedical advances that have improved patient care around the world.

When the institute's Arthur Riggs, Ph.D., and Keiichi Itakura, Ph.D., synthesized the gene for human insulin in 1978, they not only created a desperately needed drug for those with diabetes; they laid the foundation for today's worldwide biotechnology industry. Riggs, now director emeritus of Beckman Research Institute, also pioneered the field of epigenetics, which explores how genes are switched on and off — discoveries that are paying off today in new anticancer strategies. His research

City of Hope celebrated 25 years of discovery at Beckman Research Institute.





Arthur Riggs, top right, and Eugene Roberts, are among those who have made seminal scientific discoveries at Beckman Research Institute.



into genetically engineered monoclonal antibodies led to some of the most effective cancer drugs in use.

Riggs is far from alone. His Beckman Research Institute colleagues have achieved breakthroughs ranging from the fundamental to the practical. Eugene Roberts, Ph.D., identified a vital brain chemical called gamma amino butyric acid, which paved the way to a greater understanding of the brain as well as new medications for depression and addiction. Rachmiel Levine, M.D., discovered a fundamental method to monitor blood sugar levels over time, creating a new tool to cut the risk of complications of diabetes. And the discoveries continue.

These researchers may not practice medicine, but each has made a difference in the way medicine is practiced. Over time, their discoveries have led to scientific solutions — new diagnostics or therapies once only imagined — creating influential and lasting connections between the laboratory and the clinic.

EDUCATING TOMORROW'S INVESTIGATORS

Senior scientists know they must leave a legacy and connect their work to the future. Even as they perform their own investigations, they must train others to continue the work in hopes of making even greater discoveries.

City of Hope established its Irell & Manella Graduate School of Biological Sciences to build that legacy. Today, experienced researchers at the school prepare the scientific vanguard of tomorrow by working intensively with graduate students, one on one.

All of this takes place just steps away from City of Hope hospitals and clinics where patients seek care and participate in clinical trials for new therapies. Motivated by research that makes a difference, these graduate students are encouraged to pursue and publish their own research, which ultimately promotes progress in medicine.

Soon, these students will have a new, modern center as advanced in design and technology as the science they are studying. Thanks to a \$5 million gift from Orly and Shmuel Cabilly, Ph.D., the Cabilly-Riggs Academic Center — a new home for the graduate school — is slated to open in 2009 within the Arnold and Mabel Beckman Center for Cancer Immunotherapeutics and Tumor Immunology.

Orly and Shmuel Cabilly each have strong ties to City of Hope: She worked there as a research technician, and he worked with Riggs as a postdoctoral fellow. Shmuel Cabilly is the first-named inventor on the Cabilly patent, a technology key to production of many of today's top cancer drugs.

Another major gift in 2008 further supported education at City of Hope: A \$1 million grant from Norman and Melinda Payson established the Dr. Norman and Melinda Payson Graduate Studies Center, a technologically innovative learning environment, and also funds fellowships to support promising scientists.

RESEARCH WITH A MISSION

Beckman Research Institute scientists made great strides against cancer and other diseases in 2008 through investigations drawing on genetic engineering, high-tech computing and other emerging technologies. Their



Clockwise from bottom left, Sumanth Putta, Louisa Villeneuve and Yan Li are among many graduate students performing critical research.



Zunde Wang, left, and Xiaoxia Chen are investigators in Beckman Research Institute's Department of Cancer Biology.

advances bridge the lab to the clinic, connecting the promise of science with the need for better treatments.

STEM CELLS ENGINEERED TO CURE LYMPHOMA AND AIDS

Infection with HIV, the virus that causes AIDS, opens the body to deadly diseases including lymphoma, a cancer of the lymphatic system. A treatment in development at City of Hope aims to fight both lymphoma and HIV at the same time using gene therapy.

Investigators start by collecting blood stem cells from patients with HIV, and then fortify these cells with anti-HIV genes. After administering chemotherapy to eliminate the lymphoma, physicians infuse the engineered stem cells back into the patients. Once in the body, these cells generate new immune cells able to resist HIV.

This novel therapy, developed by John J. Rossi, Ph.D., Lidow Family Research Chair, is being tested in patients by John A. Zaia, M.D., Aaron D. and Edith Miller Chair in Gene Therapy, in collaboration with a team of researchers including Amrita Krishnan, M.D., associate professor and physician in the Department of Hematology & Hematopoietic Cell Transplantation. The research has potential to influence lives around the world; researchers estimate that 33 million people, including 2 million children, currently live with HIV.

A ROADMAP TO CANCER

The Human Genome Project, which mapped the entire human DNA blueprint, dramatically accelerated genetics research. Now, the Cancer Genome Atlas pushes these discoveries a step further by identifying changes in human DNA associated with different types of cancer. When the atlas of every cancer's genetic signature is complete, scientists may be able to develop new tests to detect tumors at their earliest stages, and create better targeted treatments.

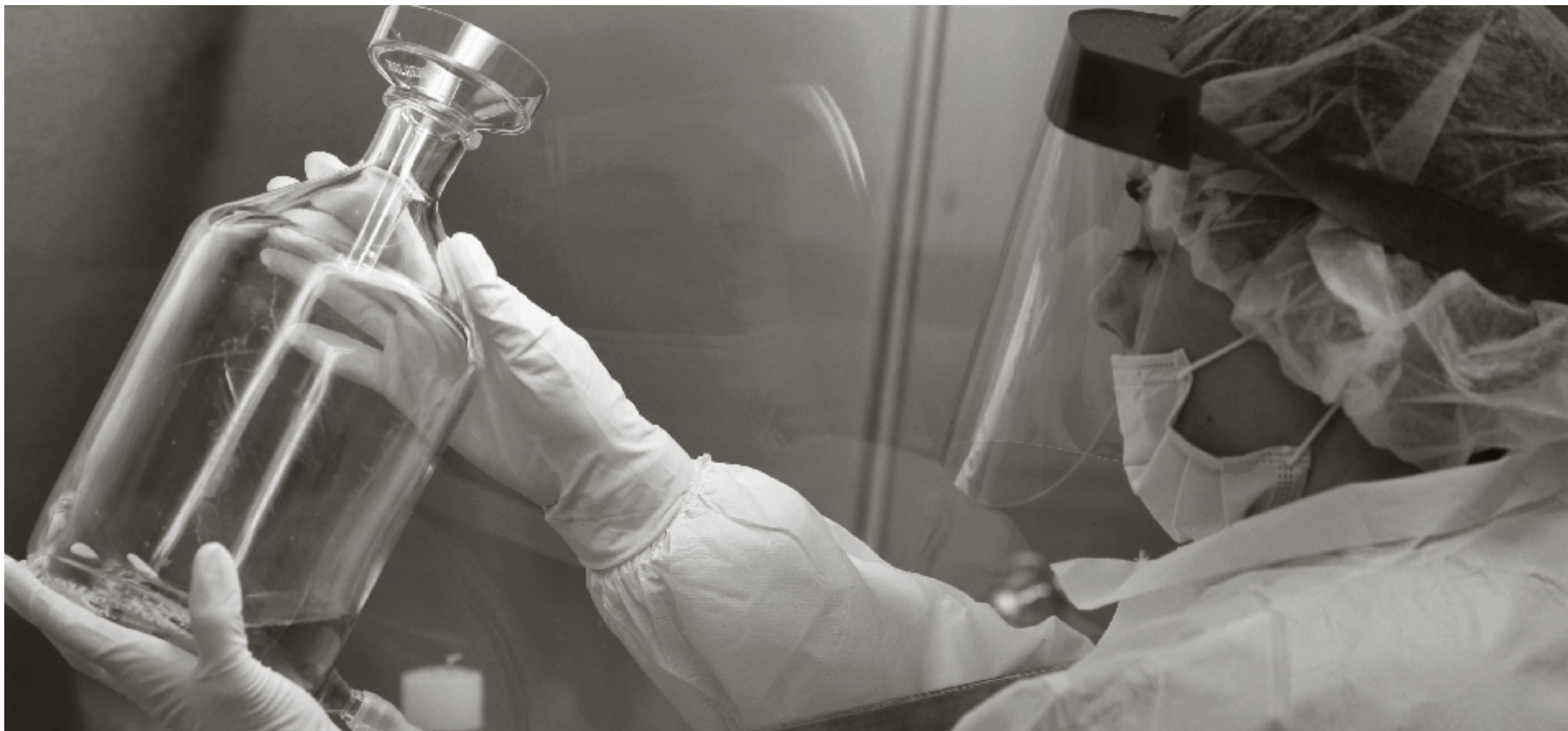
Gerd Pfeifer, Ph.D., chair of the Department of Biology, won National Institutes of Health funding for his work on an atlas of lung cancer, a disease for which better methods of early detection are seriously needed. In recognition of his contributions to biological science, Pfeifer was named the first holder of the Lester M. and Irene C. Finkelstein Chair in Biology, established in 2008 with a \$2 million gift from the Finkelstein family.

MAPPING GENE EXPRESSION WITH CHIP-ON-CHIP

Cells use regulatory proteins to switch genes on and off, and these genes can drive or halt processes that lead to disease. These proteins could make useful targets for new drugs, but researchers cannot easily determine which proteins to tackle. Now, a new technology called "ChIP-on-chip" allows researchers to rapidly assess how regulatory proteins interact with thousands of genes at the same time.



Gerd Pfeifer searches for genetic and epigenetic origins of cancer.



City of Hope researchers are committed to translating discoveries from science into better care.

A group at City of Hope led by Rama Natarajan, Ph.D., professor in the Division of Diabetes, Endocrinology & Metabolism, is using ChIP-on-chip to study genes associated with diabetes. The research already has uncovered some of the mechanisms behind diabetic complications including heart and kidney disease, and nerve and vision problems. Natarajan was honored in 2008 with the first Beckman Research Institute Scientist of the Year Award for her outstanding investigations, collaborations and mentorship.

SCIENTIFIC LEADERSHIP

Beckman Research Institute streamlined its leadership in 2008 to align its program areas and better support scientists' efforts to attract critical research funding, publish influential studies and advance research efficiently.

In 2008, Richard Jove, Ph.D., became director of Beckman Research Institute. A noted cancer biochemist, Jove is responsible for all academic, capital and recruitment programs, as well as facilitating productive



relationships between basic scientists and clinical investigators.

David A. Horne, Ph.D., was appointed director of the institute's Department of Molecular Medicine. An authority in natural products synthesis, Horne leads research into identifying unique cancer-fighting compounds and developing them into new therapies.

City of Hope also strengthened its research infrastructure to attract greater grant funding and accelerate translation of scientific studies to clinical trials. Robert S. Powell joined City of Hope as senior vice president of research operations; Kristine Justus, Ph.D., was promoted to vice president of basic research operations; and Douglas C. Stahl, Ph.D., was promoted to vice president of clinical research operations.

In addition to its work in cancer, Beckman Research Institute furthered its leadership in diabetes research. In 2008, the institute created the Department of Diabetes and Metabolic Diseases Research, which integrates two existing divisions: Diabetes, Endocrinology & Metabolism, and Gene Regulation and Drug Discovery.

To promote collaboration, City of Hope and the California Institute of Technology (Caltech), with the support of an anonymous donor, established the Caltech/City of Hope Medical Research Fund. It supports joint research into treatments for cancer, diabetes and other diseases. A related endowment will support public forums on developments in biomedicine.

Scientific discoveries can only result in effective therapies if researchers know how to carry them through to clinical trials. In 2008, City of Hope established the Clinical Research Training Office to give scientists the ability to advance important studies. Training topics include everything from trial design to biostatistics — all with the goal of helping more researchers connect their lab findings to new treatments and diagnostic tests. ■



Richard Jove, top left, leads Beckman Research Institute; above, new construction will mean more research space.



David Horne identifies unique compounds and develops them into potential cancer drugs.



Adult

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CONNECTING

Care and Our Community

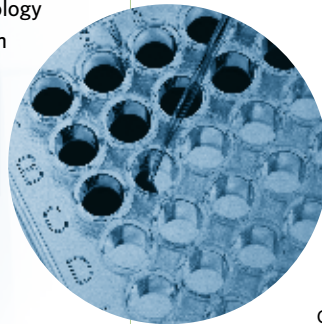
In the search for breakthroughs, City of Hope researchers never lose sight of their primary goal: to help people overcome serious disease or prevent it altogether. This quest links basic science with patient care. It motivates everything that City of Hope faculty and staff do every day — from developing more effective therapies to supporting patients and their families throughout their medical journeys.

BILLER PATIENT AND FAMILY RESOURCE CENTER OPENS DOORS

The Sheri & Les Biller Patient and Family Resource Center opened its welcoming space to patients and their loved ones in 2008, symbolizing City of Hope's historic commitment to compassionate care. The center strives to offer unmatched services that address all aspects of a patient's psychological, emotional and spiritual life, at a time when such support is vital.

Working as an integrated team, experts in psychiatry, psychology, clinical social work, education, spiritual care, pain management, palliative care and related specialties offer patients and families practical support in a warm, caring environment. They design programs based on published research on the needs of patients and families. And they continually improve these programs so that City of Hope can set new standards for whole-patient care.

Science and technology support the mission of excellent patient care.



FORMALIZING SUPPORTIVE CARE

To further the science of compassionate care and integrate related specialties, City of Hope established a Department of Supportive Care Medicine in 2008. Palliative care expert Jay R. Thomas, M.D., Ph.D., was recruited to lead the new department. A highly regarded biochemist and internist, Thomas has extensive research experience in controlling pain and reducing complications of cancer and its treatment. He is the first holder of the new Arthur M. Coppola



The Biller Patient and Family Resource Center empowers through education and understanding.

Family Chair in Supportive Care Medicine, endowed by a \$2.5 million gift from philanthropist Arthur M. Coppola.

Through the new department, City of Hope is gaining new insights into “the science of caring” that can be shared with the entire medical community.

REACHING OUT TO THE COMMUNITY

City of Hope connects to the community at large through

education and outreach. The San Gabriel Valley HIV/AIDS Summit, cosponsored by Assemblyman Anthony Portantino and hosted by City of Hope, brings together top physicians, health advocates and community service providers to raise awareness about the risk of HIV/AIDS, and to identify a path for action. Also in collaboration with Portantino, City of Hope is providing expert testimony and support to establish a California Umbilical Cord Blood Collection Program, which could offer new hope to people with leukemia and other blood diseases.

Many minorities face a higher risk of life-threatening illnesses such as cancer and diabetes. In response, City of Hope established the Center for Community Alliance for Research and Education (CCARE), which works collaboratively with community-based health organizations. In 2008, the center sponsored conferences, health fairs, classes and studies to bring the benefits of cancer prevention, research and training to African-Americans, Latinos, Chinese-Americans and other populations at risk.

FROM PATIENT TO SURVIVOR

Patients’ needs do not end after treatment. Even when cancer is cured, related health issues may arise years

later. As the number of cancer survivors grows, the need to understand and address potential “late effects” of cancer is growing as well.

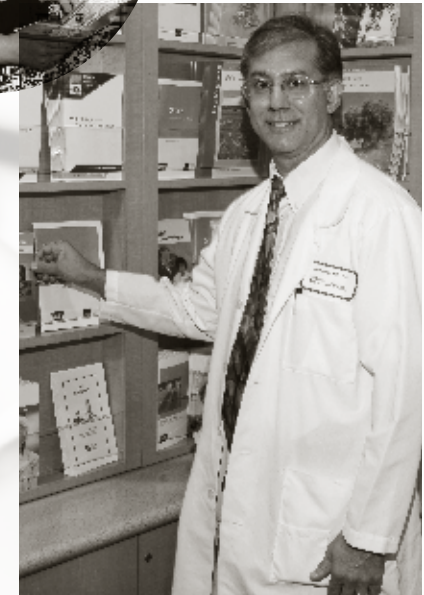
City of Hope connects to cancer survivors by studying and treating late effects. In the Department of Population Sciences’ Center for Cancer Survivorship, researchers monitor survivors of pediatric cancers throughout adulthood. Led by Smita Bhatia, M.D., M.P.H., City of Hope is helping set the nation’s standards for monitoring these survivors. In 2008, the center opened the Prostate Cancer Survivorship Clinic, the first such clinic for adult cancers; more are planned.

EVIDENCE-BASED NURSING

City of Hope nurses are deeply involved in administering clinical trials and advanced care, giving them unique perspectives and expertise. At the same time, City of Hope nurses are renowned for their commitment to compassionate care.

For decades, City of Hope’s Division of Nursing Research and Education has led the nation in advancing nursing, with a focus on patient quality of life and symptom management. Now, a new initiative gives nurses formal training in elements of clinical research that can improve patient care at the bedside.

“Evidence-based Practice Nurse Champions,” funded by a grant from UniHealth Foundation, encourages nurses to find new ways to improve care. It trains them to delve into the scientific literature to find proven ways to solve problems. It also encourages them to carry out their own research in areas such as palliative care, applying systematic observations, developing and testing theories, and presenting results to the medical community. City of Hope received the new program enthusiastically. The program will expand in 2009 to include nurses from other hospitals. ■



Nurses, top left, perform their own research to improve care for patients. Palliative care physicians such as Jay Thomas attend to all aspects of care, including spiritual and emotional well-being.

PHILANTHROPY

Every day, City of Hope pushes for advances against cancer, diabetes and other life-threatening diseases. We cannot do this alone. It takes a tremendous team effort.

Physicians in the clinic depend on discoveries from scientists in the lab. Patients on clinical trials rely on careful monitoring from specialized nurses. At City of Hope, scientists, caregivers and patients all are vitally linked to each other; but connections stretch beyond the institution's walls, as well.

The philanthropic commitment of thousands of City of Hope supporters across the nation is a vital strand in this web of caring. The shared vision — seeking cures now to create a world without cancer tomorrow — depends upon their dedication. Individual donors, foundations, corporations, and volunteer groups and auxiliaries continue to strengthen their ties to the institution and its patients, contributing more than \$114 million to City of Hope's lifesaving mission in 2008.

Construction sites throughout City of Hope provided visible testimony to donor generosity. The Arnold and Mabel Beckman Center for Cancer Immunotherapeutics and Tumor Immunology rose skyward. Slated for completion in 2009, the building will house researchers who harness the body's defenses to fight cancer, and serve as the new home to City of Hope's Irell & Manella Graduate School of Biological Sciences. The Harvey L. Miller Family Foundation awarded \$5 million to establish the Miller Family Translational Technologies Center on the building's fourth floor.

Across campus, the new Michael Amini Transfusion Medicine Center, which houses all blood collection and processing programs, received a pledge of \$250,000 from the Zacky Family Foundation.

The Sheri & Les Biller Patient and Family Resource Center received gifts of \$350,000 from the Spungin Family Foundation and \$250,000 from Mark and Pearle Rae Levey and their respective foundations. At the center dedication in 2008, Sheri and Les Biller announced a \$3 million challenge grant, pledging \$1 for every \$2 of new donations to the center's endowment.



Supportive care got another boost when Arthur M. Coppola, chairman and chief executive officer of Macerich and a past *Spirit of Life*® honoree of the Los Angeles Real Estate & Construction Industries Council, and his family committed \$2.5 million to establish an endowed chair. Jay R. Thomas, M.D., Ph.D., now holds the Arthur M. Coppola Family Chair in Supportive Care Medicine.

Other donors cemented their connection to scientific advances by establishing chairs and professorships. Allen Y. Chao, Ph.D., and his wife, Lee Hwa-Chao, endowed the Dr. & Mrs. Allen Y. Chao Chair in Developmental Cancer Therapeutics. Yun Yen, M.D., Ph.D., co-leader of the Developmental Cancer Therapeutics Program and director of the Division of Clinical and Molecular Pharmacology, was named first holder of the chair.

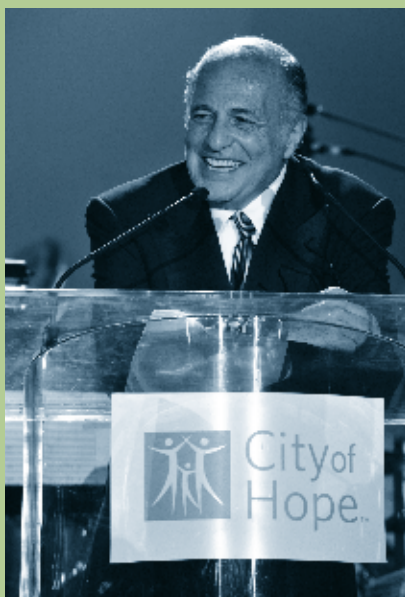
John A. Zaia, M.D., professor and chair of the Department of Virology, became the Aaron D. and Edith Miller Chair in Gene Therapy, which was established through a generous gift from Aaron and Edith Miller. An anonymous donor established the Dr. Susumu Ohno Chair in Theoretical Biology, named for a pioneering City of Hope geneticist. Sergei Rodin, Ph.D., associate professor of biology, is the chair's first holder.

Some donors put their philanthropic focus on specific diseases. A \$1 million gift from Sharon and Michael Ensign, retired leader of Mandalay Resort Group, furthered critical studies into urologic malignancies such as prostate cancer.

Others poured their energies into the fight against breast cancer. The 2008 Walk for Hope to Cure Breast Cancer surpassed \$2.5 million in donations thanks to more than 26,000 walkers in nine cities and national sponsors United Stationers, Hilton HHonors, The Walking Company, Delta Air Lines and *Good Housekeeping* magazine.

Susan G. Komen for the Cure awarded a three-year \$600,000 grant to support breast cancer research. Alan Barry, retired president and chief operating officer of Masco Corp., and his wife, Karen Barry, gave \$300,000 for breast cancer treatment and research, and their friends Richard Manoogian, executive chairman of Masco

Matthew Loscalzo, administrative director of the Biller Patient and Family Resource Center, donor Sheri Biller and Michael Friedman, City of Hope president and chief executive officer, celebrate the center's opening.



Doug Morris personally donated \$1 million in a blockbuster year for the Music and Entertainment Industry.

Corp., and his wife, Jane Manoogian, gave \$100,000. City of Hope's supporters in the food industry also generously supported breast cancer programs, with the Safeway Foundation contributing \$372,000 and the Save Mart Foundation contributing \$340,000.

Grants and gifts also helped turn advances in lab research into improved care for patients with diabetes. The Juvenile Diabetes Research Fund awarded City of Hope \$3 million, while a \$250,000 pledge for diabetes research came from Disney Music Group recording artists the Jonas Brothers and their Change for the Children Foundation. The Technical Training Foundation awarded a \$150,000 grant for diabetes, and another \$150,000 to support liver tumor research.

City of Hope's relationships with generous charitable foundations yielded important support for innovative, multidisciplinary studies, including more than \$1.3 million for nursing research and education from the Archstone Foundation, a \$562,000 grant for brain cancer research from the James S. McDonnell Foundation and a \$300,000 grant for innovative cancer studies from STOP CANCER. A \$250,000 grant from the Skirball Foundation supported investigations into leukemia.

Longstanding and new connections built with industry groups also boosted support for research and treatment. One highlight was the Music and Entertainment Industry fundraising initiative, which included a \$1 million pledge from 2008 *Spirit of Life* honoree Doug Morris, chairman and chief executive officer of Universal Music Group. The sold-out Concert for Hope, featuring Disney Music Group recording artists Miley Cyrus, Demi Lovato and the Jonas Brothers, brought in \$1.2 million.

The Los Angeles Real Estate & Construction Industries Council's philanthropy was boosted by Macerich founder Mace Siegel's \$1 million pledge. The Hardware/Homebuilding Industry group's efforts were boosted by a three-year, \$675,000 grant from The Home Depot Foundation to support construction projects.



The Jonas Brothers performed at the Concert for Hope, helping to raise \$1.2 million.

Industry supporters also worked with City of Hope to raise funds and awareness through cause-related marketing initiatives, which garnered more than \$3.4 million for the fight against cancer in 2008. The National Office Products Industry group developed successful cause-marketing programs by 3M, Newell-Rubbermaid, United Stationers, OfficeMax, Staples and MWV. Another highlight was the food industry's Kids 4 Hope program, in which participating grocery stores sold \$1 mobiles at check stands, raising more than \$1 million.

Supporters are creating a legacy to battle disease through planned giving, which includes annuities, bequests and charitable trusts. More than \$28 million was realized for vital research through these gifts in 2008, including the following: \$2.4 million from the Trust of Henrietta C. Lee; \$1.7 million from the estate of William Mason; and \$1.4 million from the estate of Gertrude Hammon.

Auxiliaries and chapters nationwide also continued to cement their longtime connections to City of Hope through fundraising that is critical to innovative research. Robert Marx, president of the Board of Governors, donated \$100,000 through a charitable gift annuity, as did Ambassador Leadership Council member Richard Ehrlich of the Woodmont Chapter.

Chapter members remembered City of Hope in their wills and trusts, as well. Noteworthy 2008 gifts include \$634,000 from the Trust of Max and Shirley Newman, of the David Saul Heck Chapter; \$400,000 from the Trust of Oma Toppel, of the Huntington Beach for Hope Chapter; and \$289,000 from the Trust of Marlene Zell, of the Sportsmen's Club.

Researchers and physicians at City of Hope have transformed the practice of medicine, and their quest for cures continues. Their task would be impossible, though, without a web of caring that includes donors across the country. By giving, our dedicated partners build on the generosity of a team of thousands — all with an unyielding commitment to save lives worldwide. ■

ACKNOWLEDGING OUR DONORS

To be the best possible stewards of our supporters' generous donations and to help preserve our natural resources, the 2008 Donor List will appear online.

We sincerely thank all of our donors who contributed so much to City of Hope during the past year and who remain committed to helping us prevent and cure cancer and other life-threatening diseases. Their support makes possible the impactful work that takes place every day at City of Hope.

To view the 2008 Donor List please visit our Web site at www.cityofhope.org/annualreport.

2008 SPIRIT OF LIFE® HONOREES

The *Spirit of Life*® Award is the highest honor City of Hope bestows on an individual for their philanthropic endeavors. Recognizing a lifetime of personal and professional achievement, the award is presented to an industry, chapter or community leader who exemplifies City of Hope's mission through his or her actions. These individuals share a deep commitment and desire to enhance medical research and treatment and enrich the lives of others.

Kent Aden
The Otay Ranch Company
San Diego Construction Industries
Alliance

Alan Barry
Masco Corporation
Hardware/Homebuilding Industry

Kofi Bonner
Lennar Urban
Northern California Real Estate and
Construction Business Alliance

Walt Brown Jr.
Diversified Partners LLC
Arizona Construction Industry Alliance

A. Larry Chapman
Wells Fargo
Los Angeles Real Estate & Construction
Industries Council

Carmen DePasquale
DePasquale Companies
National Professional Salon Industry

Capt. Jim DiMatteo, U.S. Navy
San Diego Construction Industries
Alliance

Dick Gochnauer
United Stationers
National Office Products Industry

Lamar Johnson
Gensler
Chicago Construction and Real Estate
Council

Jerry Jordan
Philadelphia Federation of Teachers
Tri-State Labor & Management Council

Glorya B. Kaufman
The Glorya Kaufman Dance Foundation
Sportsmen's Club/500 Club

Dolly Lenz
Prudential Douglas Elliman Real Estate
East End Chapter

Stephen Lilienthal
CNA Financial Corporation
National Insurance Industry Council

Doug Morris
Universal Music Group
Music and Entertainment Industry

Larry Pitt
Larry Pitt and Associates
Tri-State Labor & Management Council

Cecil Russell
Save Mart Supermarkets
Northern California Food Industries
Circle

Rosanna Scotto
Fox News
East End Chapter

Barry and Irene Tyson
Angels of Hope Chapter

Mark Werts Sr.
American Rag Cie
Apparel Industries Group



City of
Hope.
SPIRIT OF LIFE AWARD

2008 FINANCIALS



Net income
Depreciation
Deferred income taxes
Operating (gain) loss
Changes in working capital
Net cash from operating activities (NCOA)
Sale of property, plant, equipment
Investments
Purchase of property, plant, and equipment
Purchase of investments
Purchase of intangible items
Net cash from investing activities (NCIA)

	\$4	0.0
		656.5
		43.7
		\$2,459.4
		0.0
		10,257
		(93)
		(12,9)
		148
		105
		0.0
		\$ 105
		1
		399.1
		0.0
		399.1
		251.1
		650.2
		105.4

Patient Information

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

CHARGES FOR PATIENT SERVICES	2008	%	2007	%
Medicare	\$ 331,878	27.2%	\$ 271,785	25.7%
Indemnity insurance	7,201	0.6%	4,354	0.4%
Managed care contracts	672,961	55.1%	601,479	56.6%
Subsidized care	209,203	17.1%	184,143	17.3%
TOTAL	\$ 1,221,243	100.0%	\$ 1,061,761	100.0%

PATIENTS TREATED (based on admissions)	2008	2007
New patient referrals	7,179	7,553
Patients treated during year	20,960	19,918
Admissions	6,295	5,791
Patient days	54,878	52,165
Clinic and infusion visits	128,830	121,417
Bone marrow transplants (BMT)	608*	562*

* includes BMT performed through City of Hope-Banner Bone Marrow Transplant Program

City of Hope and Affiliates Combined Statements of Financial Position

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

ASSETS

CURRENT ASSETS	2008	2007
Cash and cash equivalents	\$ 158,129	\$ 69,019
Investments	110,801	107,496
Patient accounts receivable, less allowances for uncollectible accounts of \$930 in 2008 and \$5,709 in 2007	72,227	70,387
Grants and other receivables	13,348	14,189
Donor restricted unconditional promises to give, net	16,416	17,977
Prepaid and other	13,915	18,528
Total current assets	384,836	297,596
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation of \$336,538 in 2008 and \$304,681 in 2007	426,571	382,010
OTHER ASSETS		
Investments	10,384	8,908
Board designated investments	355,963	195,477
Bond trust funds	65,424	89,268
Donor restricted assets	163,082	155,404
Other assets	15,763	13,201
Total other assets	610,616	462,258
TOTAL ASSETS	\$1,422,023	\$ 1,141,864

City of Hope and Affiliates Combined Statements of Financial Position (continued)

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

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	2008	2007
Accounts payable and accrued liabilities	\$ 102,110	\$ 78,723
Long-term debt, current portion and accrued interest	14,727	14,676
Total current liabilities	116,837	93,399
LONG-TERM DEBT, net of current portion and unamortized discount of \$1,871 and \$2,001 as of September 30, 2008 and 2007, respectively	272,085	282,314
ANNUITY AND SPLIT-INTEREST AGREEMENT OBLIGATIONS	20,140	19,877
Other	10,040	7,468
Total liabilities	419,102	403,058

COMMITMENTS AND CONTINGENCIES

NET ASSETS	2008	2007
Unrestricted	798,391	547,365
Restricted	204,530	191,441
Total net assets	1,002,921	738,806
TOTAL LIABILITIES AND NET ASSETS	\$1,422,023	\$ 1,141,864

City of Hope and Affiliates Combined Statements of Activities

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

REVENUES	2008	2007
Net patient service revenues	\$ 423,533	\$ 372,473
Contributions and net special event revenues	100,810	118,801
Royalties and research grants	462,679	171,017
Other	28,451	39,110
Total revenues	1,015,473	701,401
EXPENSES		
Program services	596,838	496,390
Supporting services	102,595	94,589
Total expenses	699,433	590,979
Operating income	316,040	110,422
Change in net unrealized (loss) gain on investments	(51,338)	19,141
Loss on interest rate swap agreement	(587)	(77)
Change in net assets	264,115	129,486
Net Assets, beginning of year	738,806	609,320
Net Assets, end of year	\$1,002,921	\$ 738,806

City of Hope and Affiliates Combined Statements of Cash Flow

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

CASH FLOWS FROM OPERATING ACTIVITIES	2008	2007
Changes in net assets	\$ 264,115	\$ 129,486
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	34,468	32,973
Unrealized loss (gain) on investments	51,338	(19,141)
Other changes in operating assets and liabilities	(3,660)	(32,993)
Total adjustments	82,146	(19,161)
Net cash provided by operating activities	346,261	110,325
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of property, plant and equipment	1,454	4,444
Additions to property, plant and equipment	(79,004)	(42,255)
Change in investments	(199,695)	(119,417)
Net cash used in investing activities	(277,245)	(157,228)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by financing activities	20,094	72,994
Net increase (decrease) in cash and cash equivalents	89,110	26,091
Cash and Cash Equivalents, beginning of year	69,019	42,928
Cash and Cash Equivalents, end of year	\$ 158,129	\$ 69,019

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*Also on the Board of Regents

LOCATIONS

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www.cityofhope.org

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Los Angeles, Calif. 90017
800-544-3541

City of Hope-Banner Bone Marrow Transplant Program

1111 East McDowell Road
Suite 12b
Phoenix, Ariz. 85006

Regional Development Offices

SOUTHEAST

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800-584-6709

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Chicago
800-779-5893

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800-235-0579

Phoenix
800-732-7309

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888-805-8911

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800-732-7140

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800-934-9196



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