



1500 East Duarte Road
Duarte, CA 91010-3000
Phone 626-256-HOPE (4673)
www.cityofhope.org

February 15, 2010

Bloomberg Municipal Repository
Municipal Department
100 Business Park Drive
Skillman, NJ 08558

Municipal Securities Rulemaking Board
Electronic Municipal Market Access (EMMA)
1900 Duke Street, Suite 600
Alexandria, VA 22314

Standard & Poor's Securities Evaluation, Inc.
55 Water Street
45th Floor
New York, NY 10041

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024

RE: City of Hope Management Discussion and Analysis (MD&A) and other continuing disclosure for the first quarter ended December 31, 2009 for the 1999 City of Duarte Certificates of Participation (COPS) and the parity debt issued on May 26, 2006. 1999 COPS CUSIP #s 263584CV4, 263584CW2, 263584CX0, 263584CY8, 263584CZ5 263584DM3, 263584DN1, 263584DA9, 263584DB7, 263584DC5, 263584DD3

To Whom It May Concern:

Enclosed in this package are the following items:

1. Management Discussion and Analysis for the three months ended December 31, 2009;
2. Unaudited combining financial statements for the three months ended December 31, 2009 and;
3. Statistical information for the three months ended December 31, 2009

This disclosure information for the three months ended December 31, 2009, is a required disclosure per the continuing disclosure agreement. The combining condensed financial statements included with this MD&A do not include all of the required disclosures or groupings of accounts required by U.S. Generally Accepted Accounting Principles for the financial statements. Enclosed with this cover letter are both the MD&A and our unaudited first quarter combining financial statements.

From time to time, the City of Hope and Affiliates (Affiliates defined as City of Hope National Medical Center and the Beckman Research Institute of the City of Hope) may discuss forward-looking information. Except for the historical information contained in this release, all forward-looking statements are predictions by our management and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements as they occur and become known over time to be materially different from those expressed or implied by such forward looking statements. Such factors include the City of Hope National Medical Center's third-party contracts; the City of Hope and Affiliates' ability to effectively manage employee compensation, pharmaceuticals, employee health benefits and other operating expenses; competition; changes in healthcare practices; changes in federal or state laws or regulations or the interpretation thereof; reduction in provider payments by governmental payers; disasters; contributions; patent income that is dependent upon sales of pharmaceuticals with intense market competition and subject to challenge; litigation and numerous other factors impacting the delivery and cost of healthcare and research endeavors.

Any questions or comments on the above information should be addressed to the undersigned by email at drusch@coh.org.

Sincerely,



Dennis F. Rusch
Chief Financial Officer and Treasurer

DFR/vt

cc: Certificates of Participation Holders
Rating Agencies
City of Hope Board of Directors

Management Discussion and Analysis (MD&A) and Liquidity
and Capital Sources
City of Hope (COH) and Affiliates
For the Three Months Ended December 31, 2009

Operating Results

Combined net operating revenues for the three months ended December 31, 2009 and 2008, amounted to \$212.2 million and \$216.5 million, respectively. The decrease in net operating revenues of \$4.3 million is attributable to lower contributions revenue, which has been somewhat mitigated by higher net patient service revenues during the first quarter of 2010.

Combined income from operations for the three months ended December 31, 2009 and 2008, amounted to \$24.1 million and \$44.6 million, respectively.

Net patient service revenue for the three months ended December 31, 2009, was \$121.6 million and compares favorably to \$110.4 million in the previous year. The strong revenue can be attributed in part to an overall improvement in payor mix and a 12% increase in Bone Marrow Transplant (BMT) cases requiring more pharmaceuticals and blood products.

Admissions are 2.8% lower than they were in 2009 and can be attributable to an overall drop in Pediatric volume. Outpatient visits, including infusion visits, are 10% higher than 2009 and is attributable to prior year BMT discharges generating outpatient follow up services.

Contributions and net revenues from special events for the three months ended December 31, 2009 and 2008, amounted to \$23.4 million and \$42.7 million, respectively. In the prior year first quarter there were several large Endowment and building fund restricted gifts. As of December 31, 2009 there are a number of large gifts pending closure. Fundraising management continues to focus efforts on major gifts and reducing the costs of fundraising.

Royalty revenue for the three months ended December 31, 2009 and 2008 amounted to \$49 million and \$47.1 million, respectively. Royalty revenues continue to increase primarily from strong sales of drugs by Genentech and other licensees of monoclonal antibodies, including Avastin, Rituxan, Herceptin, Erbitux, and others using technology developed at the Beckman Research Institute of the City of Hope ("Beckman").

Extramural grant income and other grant income for the three months ended December 31, 2009 totaled \$15.3 million compared to \$13.9 million for the three months ended December 31, 2008. We believe that our scientific research is of the highest quality and is deserving of NIH funding, but there is no guarantee that we will continue receiving the same level of NIH funding.

On a combined basis, operating expenses for the three months ended December 31, 2009, are \$188.1 million compared to \$171.9 million in the same period for 2008. This represents a 9% increase in expenses over the prior year primarily related to salaries and wages, pharmaceuticals and medical supplies expenses, primarily driven by the increases in net patient service revenues.

Liquidity and Capital Resources

Days cash on hand for the obligated group, City of Hope and the Medical Center, as defined under the 1999 COPS, which includes temporarily restricted net assets, were 265 days as of December 31, 2009 and 238 days as of September 30, 2009. Consolidated unrestricted days cash on hand were 387 and 374 as of December 31, 2009 and September 30, 2009, respectively.

Consolidated current ratio is 4.21 and 3.55 as of December 31, 2009 and September 30, 2009, respectively and the consolidated quick ratio is 4.10 and 3.47 as of December 31, 2009 and September 30, 2009, respectively.

Total City of Hope and Affiliates combined lines of credit available from a local banking institution amount to \$25 million. There are no outstanding balances on these lines of credit as of December 31, 2009. We are in compliance with all debt covenants for our borrowing agreements as of December 31, 2009.

Leadership

City of Hope's General Counsel, Robert Stone, has been appointed to the newly created position of Chief Strategy and Administrative Officer. Gregory Schetina, formerly Chief Deputy General Counsel, has been promoted to General Counsel.

NOTES TO THE COMBINING FINANCIAL STATEMENTS
December 31, 2009
(unaudited)

1. Basis of Presentation

City of Hope, a California nonprofit public benefit corporation, with its principal office located in Los Angeles, California, was formed to be the development organization of City of Hope National Medical Center (Medical Center) and Beckman Research Institute of the City of Hope (Beckman)(collectively, the Affiliated Group). City of Hope management and staff coordinate the fund-raising activities of the many volunteers and donors needed to support the mission of the Affiliated Group related to patient care and research.

The Medical Center, located in Duarte, California, is a California nonprofit public benefit corporation currently operating a 183-bed tertiary referral center with a licensed capacity of 217 beds, treating primarily cancer and other life threatening disease. City of Hope is the sole corporate member of the Medical Center.

Beckman, also located in Duarte, California, is a California nonprofit public benefit corporation organized to conduct basic medical and scientific research. City of Hope is the sole corporate member of Beckman.

The accompanying unaudited combining financial statements include adjustments that are, in the opinion of management, necessary for a fair presentation of the results of operations for the nine months ended December 31, 2009. All such adjustments are of a normal recurring nature. However, such unaudited financial statements do not include all of the required disclosures or groupings of accounts required by U.S. Generally Accepted Accounting Principles (GAAP), for full annual financial statements. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. Although we believe that the disclosures in the financial statements included herein are adequate to make the information presented not misleading, for further information, refer to the audited consolidated financial statements and notes thereto for the year ended September 30, 2009 which are available on the City of Hope website. The results of operations for the three months ended December 31, 2009 are not necessarily indicative of the results for a full year.

2. Litigation

During 2002, City of Hope prevailed in a jury trial against Genentech involving a 1976 agreement relating to the use of patents arising from City of Hope's recombinant DNA research. The lawsuit alleged, among other things, that Genentech breached its agreement with City of Hope by failing to pay royalties due from the license of those patents and breached its fiduciary duty to City of Hope by failing to pay royalties and concealing from and misrepresenting information about those licenses to City of Hope. A Los Angeles Superior Court jury awarded City of Hope compensatory and punitive damages. Genentech appealed this award to an appellate court which ruled in City of Hope's favor. Genentech petitioned the California Supreme Court for a review of the appellate court's decision and the petition was granted on February 2, 2005. On April 24, 2008, the California Supreme Court issued a decision upholding the jury verdict of \$300.1 million in compensatory damages in favor of City of Hope. The Court also reversed the jury's verdict that Genentech breached a fiduciary duty to City of

Hope and the jury's award of \$200 million in punitive damages. Genentech paid amounts due pursuant to the Court's decision on May 9, 2008. Net of legal fees, the amount received by City of Hope National Medical Center, the party so named in the suit, was \$239.5 million. Pursuant to a pre-existing agreement between City of Hope, Medical Center, Beckman and the inventors, the amount received was transferred to Beckman to be used to support research and Beckman's Endowment. City of Hope recorded royalty judgment revenue of \$239.5 million and payments to the inventors of \$34.1 million for fiscal year 2008 which are included in the combining statements of activities.

In addition, City of Hope and Genentech began discussing the payment by Genentech of certain post judgment amounts relating to the time period subsequent to the verdict. Those discussions culminated in a settlement agreement under which Genentech paid in March 2009 an additional amount to City of Hope. Pursuant to a pre-existing agreement between City of Hope, the Medical Center, Beckman and the inventors, the amount received was transferred to Beckman to be used to support research and Beckman's Endowment. Net of payments to the inventors of \$9.4 million this additional payment amounted to a net \$56.1 million in gains during 2009.

MedImmune, Inc. asserted certain claims against City of Hope, Genentech and Celltech in a lawsuit filed in the United States District Court for the Central District of California. MedImmune challenged U.S. Patent No. 6,331,415B (the Cabilly patent), which is co-owned by Genentech and City of Hope. City of Hope has exclusively licensed substantial rights in this patent to Genentech in exchange for the payment of royalties. MedImmune asserted causes of action against Genentech and City of Hope for declarations that the Cabilly patent is invalid; the Cabilly patent is unenforceable; and MedImmune's product Synagis® does not infringe the Cabilly patent. MedImmune also asserted a cause of action against Genentech, but not against City of Hope, for a declaration that it does not owe Genentech payments under a license agreement for the Cabilly patent. On June 5, 2008, the parties settled the case and it was dismissed. Under the terms of the settlement agreement, the litigation has now been fully resolved. City of Hope made no payment in connection with the settlement.

City of Hope has been engaged in various proceedings, including a consolidated reexamination proceeding and a federal lawsuit filed by Centocor Inc., challenging the validity of the Cabilly patent, which accounts for a substantial portion of the City of Hope royalty revenue. Genentech and City of Hope are both actively defending this patent.

In the merged reexamination proceedings, on February 16, 2007, the United States Patent & Trademark Office ("PTO") issued a final office action withdrawing all previous grounds of rejection and introducing new bases for rejecting all claims of the Cabilly patent. On May 21, 2007, Genentech and City of Hope filed a response on the merits to the February 16, 2007 office action together with a petition to withdraw the finality of the office action and to continue the reexamination proceeding. On May 31, 2007, the PTO granted the petition. On February 25, 2008, the PTO issued a final office action withdrawing all previous grounds of rejection and introduced new bases for rejecting all claims of the Cabilly patent. On March 18, 2008, Genentech and City of Hope filed a petition seeking to extend the period for responding to the final office action. On March 19, 2008, the PTO granted the petition and extended the time to respond to June 6, 2008. In an action mailed on July 19, 2008, the PTO advised that it maintained the February 25, 2008 final rejection of all claims of the Cabilly patent. On August 22, 2008, Genentech and City of Hope filed an appeal of the decision to the Board of Patent Appeals and Interferences within the PTO. Genentech and City of Hope filed their appeal brief on December 10, 2008. On February 10, 2009, the PTO conducted an interview with Genentech and City of Hope's counsel and issued an interview summary which discussed, among other things, the possibility of Genentech and City of Hope amending claim 21 of the Cabilly patent. On February 12, 2009, Genentech and City of Hope filed an interview summary and an amendment to claim 21 and

claims 27 and 32 (which depend on claim 21). On February 13, 2009, Genentech and City of Hope submitted a document that made certain technical changes to the form of the amendment but did not alter the substance of the amendment. On February 23, 2009, the PTO mailed a Notice of Intent to Issue a Reexamination Certificate confirming the patentability of all claims of the Cabilly patent, with certain amendments to claims 21-32 that do not affect the commercial importance of the patent. On May 19, 2009, the PTO issued the Reexamination Certificate concluding the merged reexamination proceedings involving the Cabilly patent. This decision by the PTO is final and unappealable.

On May 20, 2008, Centocor Inc., sued Genentech and City of Hope in the U.S. District Court for the Central District of California challenging, among other things, the validity of the Cabilly patent. On September 19, 2008, Genentech and City of Hope answered the complaint and filed counterclaims against Centocor, including counterclaims alleging that Centocor is infringing the Cabilly patent. In addition, Genentech (but not City of Hope) asserted additional counterclaims alleging that various Centocor products infringe certain patents owned by Genentech only. Centocor filed its response to the counterclaims on November 26, 2008. Discovery has begun. On July 2, 2009, Centocor Ortho Biotech, Inc., (COBI) filed a second amended complaint which substituted COBI for Centocor, Inc. as plaintiff and named the correct City of Hope entity as defendant. On July 14, 2009, Genentech and City of Hope responded to the second amended complaint. On June 8, 2009, the Court issued a Markman order, construing various terms in the Cabilly patent. On July 1, 2009, Genentech and City of Hope filed amended counterclaims against COBI and several of its affiliates. On July 14, 2009, these parties responded to the amended counterclaims. Centocor moved for summary judgment on Genentech's and City of Hope's counterclaims of patent infringement of the Cabilly patent with respect to certain drugs based on defenses involving contractual rights and exhaustion. Genentech and City of Hope opposed the motion. On October 2, 2009, the Court denied Centocor's motion. On November 6, 2009, the Court entered a scheduling order for the litigation setting the close of fact discovery on April 30, 2010; the close of expert discovery on June 25, 2010; the deadline for summary judgment motions on July 12, 2010, and the hearing on the summary judgment motions on August 17, 2010. The order does not include a trial setting, but any trial may take place in late 2010.

On October 8, 2009, Glaxo Group Limited and SmithKline Beecham (jointly, "Glaxo") sued Genentech and City of Hope in the U.S. District Court for the Southern District of Florida challenging the Cabilly patent. On November 13, 2009, the Court granted Genentech's and City of Hope's unopposed motion for an extension of time to respond to the Complaint. On December 16, Genentech and City of Hope filed a motion to dismiss or in the alternative transfer the action to the U.S. District Court for the Central District of California, where the Centocor case is pending. Glaxo's response is due on February 3, 2010. A hearing date has not been scheduled.

Because the Centocor litigation is ongoing, and the Glaxo litigation is just underway, the final outcome of either case cannot be determined at this time. If the Cabilly patent is ultimately declared invalid or unenforceable in either case, royalties under the Cabilly patent in the future could be significantly reduced or eliminated.

In or about September 2005, Dr. Roberto Crea, who formerly worked at City of Hope, contacted City of Hope through his counsel. Dr. Crea asserted that he is entitled to share in certain revenues that City of Hope received from Genentech. Although Dr. Crea has not specified the exact amount that he claims he is owed, Crea alleges that he is entitled to share in the royalties that Genentech has paid to City of Hope over the years. That amount now consists of a total of approximately \$862.5 million. Thus, a claim by Dr. Crea to even a small percentage of the revenues could amount to a claim for millions of dollars.

On January 10, 2006, City of Hope and Dr. Crea entered a tolling agreement providing, among other things, that the statute of limitation on Dr. Crea's claims would be tolled as of November 30, 2005; and that to the extent the statute of limitation had already expired it would not be revived. On July 31, 2008, Crea terminated the tolling agreement. On August 12, 2008, Crea filed a complaint in the California Superior Court against City of Hope, the Medical Center and Beckman. Crea's complaint asserts causes of action for breach of contract, breach of the implied covenant of good faith and fair dealing, breach of fiduciary duty, negligence, conversion, fraudulent concealment, constructive fraud, declaratory relief and accounting. On October 1, 2008, City of Hope removed the case to the United States District Court for the Central District of California. On October 23, 2008, Crea filed a motion to remand the case to state court, which was denied on December 4, 2008. The Court scheduled a hearing on City of Hope's motion to dismiss on February 26, 2009. Crea renewed his motion for remand, and the renewed motion was heard at the same time as the hearing on the motion to dismiss. At the hearing, the Court asked City of Hope to convert the motion to dismiss to a motion for summary judgment, requested further briefing and scheduled a new hearing date on both motions on May 7, 2009. At the May 7, 2009 hearing, the Court heard argument and set another hearing for June 8, 2009. At the June 8, 2009 hearing, the Court denied Crea's renewed motion for remand and set a further hearing on City of Hope's summary judgment motion for July 16, 2009. At the July 16, 2009 hearing the Court granted City of Hope's summary judgment motion in part and denied it in part and directed City of Hope to submit a Statement of Reasons and Proposed Judgment ("Proposed Judgment") reflecting the Court's ruling. On August 12, 2009, City of Hope submitted the Proposed Judgment. Crea filed an alternate form of Proposed Judgment. The Court has not yet entered a form of Proposed Judgment.

CITY OF HOPE AND AFFILIATES

Combining Financial Statements

For Three Months Ended December 31, 2009

UNAUDITED

CITY OF HOPE AND AFFILIATES

**Combining Statements of Financial Position
as of December 31, 2009 and 2008
(Amounts in Millions)**

	CITY OF HOPE			CITY OF HOPE			BECKMAN RESEARCH INSTITUTE OF THE CITY OF HOPE			COMBINED TOTALS		
	DEVELOPMENT GROUP			NATIONAL MEDICAL CENTER			OF THE CITY OF HOPE					
	December 2009	September 2009	December 2008	December 2009	September 2009	December 2008	December 2009	September 2009	December 2008	December 2009	September 2009	December 2008
1	2	3	4	5	6	7	8	9	10	11	12	
ASSETS												
CURRENT ASSETS:												
Cash and cash equivalents:												
Undesignated	\$ 19.0	\$ 15.1	\$ 22.2	\$ 16.1	\$ 2.4	\$ 6.4	\$ 5.4	\$ 24.1	\$ 41.2	\$ 40.5	\$ 41.6	\$ 69.8
Management designated	76.2	60.5	10.4	7.9	9.1	7.2	32.3	28.2	11.1	116.4	97.8	28.7
Investments:												
Management designated	60.1	46.9	46.0	24.6	24.6	22.3	59.2	55.3	48.0	143.9	126.8	116.3
Self-insurance trust funds	-	-	-	3.6	3.7	3.5	-	-	-	3.6	3.7	3.5
Bond trust funds	-	-	-	5.5	6.8	5.6	-	-	-	5.5	6.8	5.6
Donor restricted assets	60.7	51.4	49.2	-	-	-	-	0.2	-	60.7	51.6	49.2
Patient accounts receivable, less allowances of \$167.4 in 2010 and \$169.5 in 2009	-	-	-	99.6	105.1	81.8	-	-	-	99.6	105.1	81.8
Due from affiliates	-	-	-	4.0	2.4	3.3	-	0.4	1.5	4.0	2.8	4.8
Due from related parties	-	-	-	4.6	4.6	4.6	-	-	-	4.6	4.6	4.6
Grants and other receivables	9.0	9.4	5.2	1.6	6.5	0.8	3.6	3.0	3.5	14.2	18.9	9.5
Unconditional promise to give	14.1	14.1	16.4	-	-	-	-	-	-	14.1	14.1	16.4
Supplies inventory, at cost	-	-	-	7.7	7.7	6.8	0.2	0.1	0.2	7.9	7.8	7.0
Prepaid expenses and other	0.1	0.9	0.2	4.8	2.8	9.9	0.2	0.4	0.4	5.1	4.1	10.5
Total current assets	239.2	196.3	149.6	180.0	175.7	152.2	100.9	111.7	105.9	520.1	485.7	407.7
PROPERTY, PLANT AND EQUIPMENT, at cost, less accumulated depreciation	2.9	2.3	1.3	316.1	321.8	310.3	191.5	163.8	123.8	510.5	507.9	435.4
OTHER ASSETS:												
Investments	5.0	12.1	0.2	-	-	-	-	-	-	5.0	12.1	0.2
Board designated assets	39.4	38.7	30.3	33.3	31.9	29.1	370.8	363.7	281.9	443.5	434.3	341.3
Bond trust funds	-	-	-	13.2	13.3	21.6	15.5	15.5	36.2	28.7	28.8	59.8
Donor restricted assets:												
Investments	97.6	103.4	114.7	-	-	-	13.7	13.5	13.5	111.3	116.9	128.2
Unconditional promises to give, net	22.6	29.5	32.3	-	-	-	-	-	-	22.6	29.5	32.3
Contribution receivable from split- interest agreements, net	13.8	15.4	17.1	-	-	-	-	-	-	13.8	15.4	17.1
Other	-	-	-	-	-	-	-	-	-	-	-	-
Notes receivable	0.6	0.6	0.7	0.4	0.5	0.5	1.7	1.6	1.7	2.7	2.7	2.9
Contributed real property	2.3	3.4	3.5	-	-	-	-	-	-	2.3	3.4	3.5
Other	-	-	-	4.0	4.0	2.7	0.2	0.2	0.2	4.2	4.2	2.9
Total other assets	181.3	203.1	198.3	50.9	49.7	53.9	401.9	394.6	335.5	634.1	647.3	588.2
AA	\$ 423.4	\$ 403.7	\$ 349.7	\$ 547.0	\$ 547.2	\$ 516.4	\$ 694.3	\$ 690.0	\$ 665.2	\$ 1,664.7	\$ 1,640.9	\$ 1,431.3

CITY OF HOPE AND AFFILIATES
Combining Statements of Financial Position
as of December 31, 2009 and 2008
(Amounts in Millions)

	CITY OF HOPE			CITY OF HOPE			BECKMAN RESEARCH INSTITUTE			COMBINED TOTALS		
	DEVELOPMENT GROUP			NATIONAL MEDICAL CENTER			OF THE CITY OF HOPE					
	December 2009	September 2009	December 2008	December 2009	September 2009	December 2008	December 2009	September 2009	December 2008	December 2009	September 2009	December 2008
1	2	3	4	5	6	7	8	9	10	11	12	
LIABILITIES AND NET ASSETS												
CURRENT LIABILITIES:												
A	\$ 0.7	\$ 1.0	\$ 1.2	\$ 11.6	\$ 14.0	\$ 15.4	\$ 1.7	\$ 5.4	\$ 1.0	\$ 14.0	\$ 20.4	\$ 17.6
B	-	-	-	2.2	4.3	2.3	-	-	-	2.2	4.3	2.3
C	0.8	0.4	0.8	27.0	23.5	17.2	5.7	10.7	6.3	33.5	34.6	24.3
D	3.2	3.1	2.6	29.0	32.8	24.6	8.9	9.1	7.1	41.1	45.0	34.2
E	-	2.4	4.0	6.5	6.1	5.3	6.0	5.4	6.4	12.5	13.9	15.7
F	2.3	1.3	1.5	-	-	0.1	1.7	1.5	3.2	4.0	2.8	4.8
G	-	-	-	-	-	1.4	-	-	-	-	-	1.4
H	0.1	0.1	0.1	6.4	6.6	9.3	1.0	0.7	0.5	7.5	7.4	9.9
I	-	-	-	-	-	-	-	-	-	-	-	-
J	-	-	-	3.3	2.7	2.9	-	-	-	3.3	2.7	2.9
K	0.6	0.6	0.6	4.9	4.9	0.3	-	-	-	5.5	5.5	0.9
L	7.7	8.9	10.7	90.9	94.9	78.8	25.0	32.8	24.5	123.6	136.6	114.0
M												
N	0.3	0.3	0.4	202.1	202.7	209.1	60.3	60.7	61.3	262.7	263.7	270.8
O	19.7	19.8	20.2	1.5	1.9	2.7	5.5	7.3	11.3	26.7	29.0	34.2
P	27.7	29.0	31.3	294.5	299.5	290.6	90.8	100.8	97.1	413.0	429.3	419.0
COMMITMENTS AND CONTINGENCIES												
Q	206.6	180.6	112.9	252.5	247.7	225.8	569.8	575.5	454.6	1,048.9	1,003.8	793.3
R	189.1	194.1	205.5	-	-	-	13.7	13.7	13.5	202.8	207.8	219.0
S	395.7	374.7	318.4	252.5	247.7	225.8	603.5	589.2	468.1	1,251.7	1,211.6	1,012.3
T	\$ 423.4	\$ 403.7	\$ 349.7	\$ 547.0	\$ 547.2	\$ 516.4	\$ 694.3	\$ 690.0	\$ 565.2	\$ 1,664.7	\$ 1,640.9	\$ 1,431.3

CITY OF HOPE AND AFFILIATES
Combining Statements of Activities
For Three Months Ended December 31, 2009
(Amounts in Millions)

	CITY OF HOPE DEVELOPMENT GROUP			CITY OF HOPE NATIONAL MEDICAL CENTER			BECKMAN RESEARCH INSTITUTE OF THE CITY OF HOPE			CITY OF HOPE BUSINESS SUPPORT SERVICES			COMBINED TOTALS		
	Actual 1	Budget 2	Last Year 3	Actual 4	Budget 5	Last Year 6	Actual 7	Budget 8	Last Year 9	Actual 10	Budget 11	Last Year 12	Actual 13	Budget 14	Last Year 15
OPERATING REVENUES:															
Patient service revenues:															
A Inpatient	\$ -	\$ -	\$ -	\$ 217.3	\$ 224.7	\$ 197.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 217.3	\$ 224.7	\$ 197.2
B Outpatient	-	-	-	180.8	171.5	150.9	-	-	-	-	-	-	180.8	171.5	150.9
	-	-	-	398.1	396.2	348.1	-	-	-	-	-	-	398.1	396.2	348.1
Deductions from patient service revenues:															
C Medicare contracts	-	-	-	85.9	88.1	74.4	-	-	-	-	-	-	85.9	88.1	74.4
D Med-Cal contracts	-	-	-	58.8	59.0	58.6	-	-	-	-	-	-	58.8	59.0	58.6
E Managed care and insurance	-	-	-	123.7	122.5	101.3	-	-	-	-	-	-	123.7	122.5	101.3
F Charitable care and Med-Cal denials	-	-	-	8.1	5.9	3.4	-	-	-	-	-	-	8.1	5.9	3.4
	-	-	-	276.5	275.5	237.7	-	-	-	-	-	-	276.5	275.5	237.7
G Net patient service revenues	-	-	-	121.6	120.7	110.4	-	-	-	-	-	-	121.6	120.7	110.4
Other operating revenues:															
H Extramural grant income	-	-	-	0.1	0.1	0.5	13.4	15.0	11.6	-	-	-	13.5	15.1	12.1
I Other grant income	-	-	-	1.3	0.8	1.7	0.5	-	0.1	-	-	-	1.8	0.8	1.8
J Contributions - unrestricted	18.9	14.0	17.7	-	-	-	-	-	-	-	-	-	18.9	14.0	17.7
K Contributions - restricted	4.4	13.6	25.0	-	-	-	0.1	-	-	-	-	-	4.5	13.6	25.0
L Royalties - Genentech	48.7	53.8	47.0	-	-	-	-	-	-	-	-	-	48.7	53.8	47.0
M Royalties - other	0.2	-	0.1	-	0.2	-	0.1	0.2	-	-	-	-	0.3	0.4	0.1
N Other	0.1	0.1	-	2.7	2.3	2.3	0.1	0.1	0.1	-	-	-	2.9	2.5	2.4
O Net operating revenues	72.3	81.5	89.8	125.7	124.1	114.9	14.2	15.3	11.8	-	-	-	212.2	220.9	216.5
OPERATING EXPENSES:															
P Salaries and wages	3.6	3.7	3.4	39.2	40.4	37.9	9.7	10.0	9.2	8.0	8.2	6.7	60.5	62.3	57.2
Q Employee benefits	0.7	0.9	0.7	8.5	9.0	7.7	3.9	4.0	3.4	1.4	1.6	1.1	14.5	15.5	12.9
R Purchased services	1.3	1.8	1.5	10.3	9.3	8.5	0.8	1.5	1.0	3.0	3.3	2.4	15.4	15.9	13.4
S Professional fees	0.1	0.1	0.2	2.7	2.1	0.7	0.3	0.3	0.8	1.1	1.0	0.7	4.2	2.5	2.4
T Research/teaching and admin	-	-	-	8.7	9.1	8.0	0.5	0.7	1.0	-	-	-	9.2	9.8	9.0
U Supplies - pharmaceuticals	-	-	-	19.6	18.1	17.2	-	-	-	-	-	-	19.6	18.1	17.2
V Supplies - other	0.3	0.4	0.2	10.3	9.4	9.4	0.9	0.9	0.7	0.7	0.6	0.7	12.2	11.3	11.0
W Extramural grant expense	-	-	-	0.1	0.1	0.3	9.0	10.1	7.5	-	-	-	9.1	10.2	7.8
X Other research expense	-	-	-	1.4	1.6	2.3	3.4	2.8	2.5	-	-	-	4.8	4.4	4.8
Y Interest	-	-	-	2.6	2.7	2.5	0.6	0.7	0.8	-	-	-	3.2	3.4	2.7
Z Depreciation and amortization	0.1	-	0.1	8.5	8.0	6.7	1.9	2.1	1.8	-	-	-	10.5	10.1	8.6
AA Utilities	0.1	0.1	0.1	1.6	1.7	1.7	0.7	0.8	0.6	-	-	-	2.3	2.5	2.3
BB Royalty sharing expense	1.2	1.2	1.2	3.1	3.5	3.8	1.2	1.1	1.1	2.0	2.0	1.9	15.1	17.1	14.6
CC Other	0.8	0.8	0.7	11.7	12.1	9.8	3.7	3.6	3.0	(18.2)	(16.7)	(13.5)	7.5	7.8	6.0
DD Due to/from Business Support Services	8.2	9.0	8.1	128.3	126.2	116.5	51.6	55.7	47.3	-	-	-	188.1	190.9	171.9
EE Total operating expenses	64.1	72.5	81.7	(2.6)	(2.1)	(1.6)	(37.4)	(40.4)	(35.5)	-	-	-	24.1	30.0	44.6
FF Income from operations	1.8	3.3	1.6	0.7	1.0	0.6	2.8	6.0	2.3	-	-	-	5.3	10.3	4.5
HH Interest income	2.2	-	(15.9)	0.1	-	(4.0)	4.0	-	(15.1)	-	-	-	6.3	-	(95.0)
II Gain (loss) on sale of investments	1.7	-	(1.5)	0.2	-	(1.5)	1.7	-	(7.2)	-	-	-	1.9	-	(8.7)
JJ Loss on interest rate swap agreement	(1.1)	(22.4)	4.1	(0.9)	-	(0.6)	2.6	-	(3.5)	-	-	-	5.1	-	(5.6)
KK Equity investment gain (loss) unrealized	(1.1)	(2.5)	(11.7)	5.0	12.3	11.7	(1.2)	10.1	3.3	-	-	-	(2.6)	-	9.6
LL Fixed investment gain (loss) unrealized	(5.0)	(3.2)	(2.2)	0.9	0.8	0.6	1.6	2.4	1.6	-	-	-	-	-	-
MM City of Hope general distribution	(2.5)	(6.3)	(47.0)	-	-	7.8	32.5	35.8	47.0	-	-	-	-	-	-
NN City of Hope grant research dis trib	(7.8)	(32.5)	(47.0)	-	-	7.8	32.5	35.8	47.0	-	-	-	-	-	-
OO City of Hope construction dis trib	(32.5)	(47.0)	(47.0)	-	-	7.8	32.5	35.8	47.0	-	-	-	-	-	-
PP City of Hope royalties distributed	20.9	14.4	2.8	4.8	12.0	7.4	14.4	13.9	(0.8)	-	-	-	40.1	40.3	9.4
QQ Change in net assets	374.8	374.8	315.6	247.7	247.7	218.4	589.1	589.1	468.9	-	-	-	1,211.6	1,211.6	1,002.9
RR NET ASSETS, at beginning of period	\$ 395.7	\$ 389.2	\$ 318.4	\$ 252.5	\$ 258.7	\$ 225.8	\$ 603.5	\$ 603.0	\$ 468.1	\$ -	\$ -	\$ -	\$ 1,251.7	\$ 1,251.9	\$ 1,012.3
SS NET ASSETS, at end of period															

CITY OF HOPE AND AFFILIATES
Combining Statements of Cash Flows
For Three Months Ended December 31, 2009
(Amounts in Millions)

	CITY OF HOPE DEVELOPMENT GROUP		CITY OF HOPE NATIONAL MEDICAL CENTER		BECKMAN RESEARCH INSTITUTE OF THE CITY OF HOPE		COMBINED TOTALS	
	1	2	3	4	5	6	7	8
	December 2009	December 2008	December 2009	December 2008	December 2009	December 2008	December 2009	December 2008
CASH FLOWS FROM OPERATING ACTIVITIES:								
A Change in net assets	\$ 20.9	\$ 2.8	\$ 4.8	\$ 7.4	\$ 14.4	\$ (0.8)	\$ 40.1	\$ 9.4
B Depreciation and amortization	0.1	0.1	8.5	6.7	1.9	1.8	10.5	8.6
C Loss (gain) on sale of contributed real property	-	-	(0.2)	(0.1)	-	-	(0.2)	(0.1)
D Loss on disposal of fixed assets	-	-	(0.2)	1.5	(1.7)	7.2	(1.9)	8.7
E Loss on interest rate swap agreement	(0.6)	(2.6)	(0.5)	(1.6)	(1.4)	0.2	(2.5)	(4.0)
F Net unrealized (gain) loss on investments	-	-	-	-	-	-	-	-
Changes in assets and liabilities:								
Decrease (increase) in:								
G Patient accounts receivable	-	-	5.5	(9.6)	-	-	5.5	(9.6)
H Grants and other receivables	0.4	1.6	4.9	0.5	(0.6)	1.6	4.7	3.7
I Unconditional promises to give	6.9	1.4	-	-	-	-	6.9	1.4
J Other assets	0.8	1.5	(3.6)	(4.6)	0.5	(1.1)	(2.8)	(4.2)
Increase (decrease) in:								
K Accounts payable and other accrued liabilities	0.1	0.2	(1.0)	(1.0)	(8.7)	(4.1)	(9.6)	(4.9)
L Annuity and split interest obligations	(0.1)	0.1	-	-	-	-	(0.1)	0.1
M Other liabilities	(1.3)	(4.9)	(3.1)	(1.9)	0.6	3.0	(3.8)	(3.8)
N Total adjustments	6.3	(2.6)	10.3	(10.1)	(9.4)	8.6	7.2	(4.1)
O Net cash (used in) provided by operating activities	27.2	0.2	15.1	(2.7)	5.0	7.8	47.3	5.3
CASH FLOWS FROM INVESTING ACTIVITIES:								
P Purchases of property, plant & equipment	(0.6)	(0.2)	(3.0)	(5.9)	(6.5)	(6.1)	(10.1)	(12.2)
Q Purchases - bond funded	-	-	-	(5.5)	(3.3)	-	(3.3)	(5.5)
R Proceeds from sale of contributed real property	1.1	1.1	-	-	-	-	1.1	1.1
S Proceeds from sale of property, plant and equipment	-	-	0.5	0.3	-	-	0.5	0.3
T Decrease (increase) in contributions receivable from split-interest agreements	1.6	0.1	-	-	-	-	1.6	0.1
U Decrease (increase) in investments	(9.7)	(23.4)	(0.8)	(6.6)	(9.6)	(22.7)	(20.1)	(52.7)
V Decrease (increase) in bond trust funds/GE funds	-	-	1.4	6.7	-	0.1	1.4	6.8
W Decrease (increase) in contributed real property	-	(1.4)	-	-	-	-	-	(1.4)
X Decrease (increase) in notes receivable	-	-	0.1	-	(0.1)	0.1	-	0.1
Y Decrease (increase) in other assets	-	-	-	-	-	-	-	-
Z Net cash (used in) provided by investing activities	(7.6)	(23.8)	(1.8)	(11.0)	(19.5)	(28.6)	(28.9)	(63.4)
CASH FLOWS FROM FINANCING ACTIVITIES:								
AA Repayments on line of credit	-	-	-	-	-	-	-	-
BB Proceeds from line of credit	-	-	-	-	-	-	-	-
CC Principal payments on long term debt	-	-	(0.8)	(1.5)	(0.1)	(0.1)	(0.9)	(1.6)
DD Net cash (used in) provided by financing activities	-	-	(0.8)	(1.5)	(0.1)	(0.1)	(0.9)	(1.6)
EE NET INCREASE (DECREASE) IN CASH	19.6	(23.6)	12.5	(15.2)	(14.6)	(20.9)	17.5	(59.7)
FF CASH AND INVESTMENTS, beginning	75.6	56.2	11.5	28.8	52.3	73.2	139.4	158.2
GG CASH AND INVESTMENTS, ending	\$ 95.2	\$ 32.6	\$ 24.0	\$ 13.6	\$ 37.7	\$ 52.3	\$ 156.9	\$ 98.5

**City of Hope National Medical Center
FY 2010 Selected Statistics with Comparisons to Budget and Prior Year**

	October	November	December	January	February	March	April	May	June	July	August	September	YTD
<u>Admits:</u>													
Current Year Actual	515	517	498										1,530
Current Year Budget	593	566	554										1,713
Last Year Actual	553	490	531										1,574
<u>Referrals:</u>													
Current Year Actual	714	601	603										1,918
Current Year Budget	711	599	584										1,894
Last Year Actual	687	569	597										1,853
<u>Days:</u>													
Current Year Actual	4,655	4,772	4,270										13,697
Current Year Budget	5,126	4,892	4,788										14,806
Last Year Actual	4,983	4,642	4,623										14,248
<u>Visits:</u>													
Current Year Actual	9,611	9,779	9,551										28,941
Current Year Budget	9,204	9,209	9,205										27,618
Last Year Actual	9,367	7,921	8,860										26,148
<u>Surgery Cases:</u>													
Current Year Actual	560	572	557										1,689
Current Year Budget	583	557	546										1,686
Last Year Actual	571	508	515										1,594
<u>Days in A/R:**</u>													
Current Year Actual	83	79	76										
<u>Days in A/P (no LOC):</u>													
Current Year Actual	52	50	53										

** Based on net revenue to net patient accounts receivable.