# Consolidated Financial Statements, reports, supplementary information, and schedule required by the uniform guidance

City of Hope
Years Ended September 30, 2025 and 2024
With Reports of Independent Auditors

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City of Hope

Consolidated Financial Statements, Reports, Supplementary Information, and Schedule Required by the Uniform Guidance

Years Ended September 30, 2025 and 2024

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# Report of Independent Auditors

Management and the Board of Directors
City of Hope

## Report on the Audit of the Financial Statements

### Opinion

We have audited the consolidated financial statements of City of Hope, which comprise the consolidated statements of financial position as of September 30, 2025 and 2024, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of City of Hope at September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Hope and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.



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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Hope's ability to continue as a going concern for one year after the date that the financial statements are issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Hope's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Hope's ability to continue as a going concern for a reasonable period of time.



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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to February 25, 2026. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2026 on our consideration of City of Hope's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Hope's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Hope's internal control over financial reporting and compliance.

Ernst & Young LLP

February 25, 2026, except for our report on
the Schedule of Expenditures of Federal
Awards, for which the date is May 14, 2026



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City of Hope

Consolidated Statements of Financial Position
*(In Thousands)*

| | September 30 2025 | 2024 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | **$ 511,546** | $ 547,294 |
| Short-term investments | **1,324,458** | 1,467,415 |
| Self-insurance trust funds | **4,537** | 3,628 |
| Patient accounts receivable, net | **609,886** | 646,829 |
| Grants and other receivables | **168,803** | 224,657 |
| Current portion of donor-restricted unconditional promises to give, net | **63,277** | 101,700 |
| Prepaid and other | **147,504** | 127,249 |
| Due from third-party payors | **61,074** | – |
| Total current assets | **2,891,085** | 3,118,772 |
| Property and equipment, net | **2,791,620** | 2,608,871 |
| Right-of-use finance lease assets | **44,041** | 41,523 |
| Right-of-use operating lease assets | **190,961** | 191,872 |
| Other assets: | | |
| Long-term investments | **11,254** | 8,702 |
| Board-designated assets | **1,544,528** | 1,464,591 |
| Bond trust funds | **34** | 12 |
| With donor restrictions: | | |
| Investments | **983,866** | 865,867 |
| Unconditional promises to give, net | **251,595** | 270,353 |
| Contributions receivable from annuity and split-interest agreements, net | **83,374** | 93,985 |
| Other | **47,101** | 36,831 |
| Goodwill and other intangible assets | **52,291** | 63,448 |
| Interest rate swaps | **9,972** | 8,601 |
| Other long-term assets | **208,902** | 98,459 |
| Total other assets | **3,192,917** | 2,910,849 |
| Total assets | **$ 9,110,624** | $ 8,871,887 |

City of Hope

Consolidated Statements of Financial Position (continued)
*(In Thousands)*

| | September 30 2025 | 2024 |
|---|---|---|
| **Liabilities and net assets** | | |
| Current liabilities: | | |
| Accounts payable | **$ 97,875** | $ 113,676 |
| Other accrued liabilities | **340,887** | 339,859 |
| Accrued salaries, wages, and employee benefits | **196,741** | 180,585 |
| Long-term debt, current portion | **–** | 333,565 |
| Right-of-use finance leases, current portion | **9,289** | 5,631 |
| Right-of-use operating leases, current portion | **21,882** | 24,968 |
| Short-term borrowings | **200,000** | 250,000 |
| Contract liabilities | **38,483** | 32,130 |
| Due to third-party payors | **48,936** | 48,905 |
| Total current liabilities | **954,093** | 1,329,319 |
| Long-term debt, net of current portion | **2,530,583** | 2,179,745 |
| Right-of-use finance leases, net of current portion | **35,397** | 36,225 |
| Right-of-use operating leases, net of current portion | **184,600** | 175,591 |
| Annuity and split-interest agreement obligations | **36,825** | 36,955 |
| Interest rate swaps | **–** | 1,896 |
| Other | **166,980** | 108,880 |
| Total liabilities | **3,908,478** | 3,868,611 |
| Net assets: | | |
| Without donor restrictions: | | |
| Controlling interests | **3,783,698** | 3,648,135 |
| Noncontrolling interests | **26,638** | 25,572 |
| With donor restrictions | **1,391,810** | 1,329,569 |
| Total net assets | **5,202,146** | 5,003,276 |
| Total liabilities and net assets | **$ 9,110,624** | $ 8,871,887 |

*See accompanying notes.*

# City of Hope

## Consolidated Statement of Activities
*(In Thousands)*

Year Ended September 30, 2025

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Revenues, gains, and other support: | | | |
| Net patient service revenues | **$ 4,848,613** | **$ –** | **$ 4,848,613** |
| Research grants, contracts, and clinical trials | **306,123** | **–** | **306,123** |
| Contributions | **65,029** | **152,603** | **217,632** |
| Investment income | **228,745** | **47,766** | **276,511** |
| Net unrealized gain on investments | **123,032** | **19,422** | **142,454** |
| Other revenue | **124,853** | **231** | **125,084** |
| Total revenues, gains, and other support | **5,696,395** | **220,022** | **5,916,417** |
| Net assets released from restrictions | **157,781** | **(157,781)** | **–** |
| Total revenues, gains, and other support | **5,854,176** | **62,241** | **5,916,417** |
| Expenses: | | | |
| Salaries, wages, and employee benefits | **1,978,532** | **–** | **1,978,532** |
| Purchased services and professional fees | **788,989** | **–** | **788,989** |
| Supplies and pharmaceuticals | **2,101,308** | **–** | **2,101,308** |
| Interest, including changes in fair value of swap agreements | **131,749** | **–** | **131,749** |
| Depreciation and amortization | **221,331** | **–** | **221,331** |
| Hospital provider fee | **86,345** | **–** | **86,345** |
| Equipment rental and maintenance | **92,928** | **–** | **92,928** |
| Occupancy | **85,336** | **–** | **85,336** |
| Insurance | **13,279** | **–** | **13,279** |
| Other expense | **221,749** | **–** | **221,749** |
| Total expenses | **5,721,546** | **–** | **5,721,546** |
| Changes in net assets before other changes | **132,630** | **62,241** | **194,871** |
| Contribution from noncontrolling interest | **3,999** | **–** | **3,999** |
| Changes in net assets | **136,629** | **62,241** | **198,870** |
| Net assets, beginning of year | **3,673,707** | **1,329,569** | **5,003,276** |
| Net assets, end of year | **$ 3,810,336** | **$ 1,391,810** | **$ 5,202,146** |

# City of Hope

## Consolidated Statement of Activities
*(In Thousands)*

Year Ended September 30, 2024

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Revenues, gains, and other support: | | | |
| Net patient service revenues | $ 4,156,392 | $ – | $ 4,156,392 |
| Research grants, contracts, and clinical trials | 276,553 | – | 276,553 |
| Contributions | 55,996 | 257,813 | 313,809 |
| Investment income | 217,138 | 36,515 | 253,653 |
| Net unrealized gain on investments | 342,587 | 53,500 | 396,087 |
| Other revenue | 142,103 | 102 | 142,205 |
| Total revenues, gains, and other support | 5,190,769 | 347,930 | 5,538,699 |
| Net assets released from restrictions | 146,974 | (146,974) | – |
| Total revenues, gains, and other support | 5,337,743 | 200,956 | 5,538,699 |
| Expenses: | | | |
| Salaries, wages, and employee benefits | 1,810,698 | – | 1,810,698 |
| Purchased services and professional fees | 736,627 | – | 736,627 |
| Supplies and pharmaceuticals | 1,759,696 | – | 1,759,696 |
| Interest, including changes in fair value of swap agreements | 141,897 | – | 141,897 |
| Depreciation and amortization | 217,022 | – | 217,022 |
| Hospital provider fee | 50,721 | – | 50,721 |
| Equipment rental and maintenance | 85,971 | – | 85,971 |
| Occupancy | 74,685 | – | 74,685 |
| Insurance | 15,597 | – | 15,597 |
| Other expense | 149,580 | – | 149,580 |
| Total expenses | 5,042,494 | – | 5,042,494 |
| Changes in net assets before other changes | 295,249 | 200,956 | 496,205 |
| Contribution from noncontrolling interest | 2,495 | – | 2,495 |
| Changes in net assets | 297,744 | 200,956 | 498,700 |
| Net assets, beginning of year | 3,375,963 | 1,128,613 | 4,504,576 |
| Net assets, end of year | $ 3,673,707 | $ 1,329,569 | $ 5,003,276 |

*See accompanying notes.*

City of Hope

Consolidated Statements of Cash Flows
*(In Thousands)*

| | Year Ended September 30 2025 | 2024 |
|---|---|---|
| **Operating activities** | | |
| Changes in net assets | **$ 198,870** | $ 498,700 |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization expense | **210,175** | 205,876 |
| Amortization of goodwill and other intangibles | **11,156** | 11,146 |
| Amortization of bond costs, discounts, and premium | **(1,819)** | 2,363 |
| Amortization of right-of-use operating lease assets | **25,104** | 28,742 |
| Contributions from noncontrolling interest | **(3,999)** | (2,495) |
| Loss (gain) on disposal of assets | **5,676** | (2,775) |
| Gain on contributed real property | **(13)** | (74) |
| Gain from debt extinguishment | **(13,730)** | (7,000) |
| Loss on impairment of fixed assets | **17,928** | 3,933 |
| Net unrealized gain on investments | **(142,454)** | (396,087) |
| Change in value of interest rate swaps | **(3,267)** | 5,737 |
| Contribution proceeds restricted for endowment | **(32,273)** | (21,294) |
| Changes in assets and liabilities: | | |
| Patient accounts receivable | **36,943** | (117,221) |
| Grants and other receivables | **55,854** | (6,994) |
| Unconditional promises to give, net | **57,181** | (86,744) |
| Contributions receivable from annuity and split-interest agreements, net | **10,611** | 7,328 |
| Other assets | **(136,251)** | (28,644) |
| Accounts payable and accrued liabilities | **12,553** | 54,024 |
| Accrued salaries, wages, and employee benefits | **16,156** | 34,058 |
| Annuity and split-interest agreement obligations | **(130)** | 3,902 |
| Operating lease liabilities | **(22,954)** | (33,527) |
| Other liabilities | **3,904** | 110,148 |
| Net cash provided by operating activities before net sales of trading investments | **305,221** | 263,102 |
| Net sales (purchases) of trading investments | **15,876** | (21,420) |
| Net cash provided by operating activities | **321,097** | 241,682 |

City of Hope

Consolidated Statements of Cash Flows (continued)
*(In Thousands)*

| | Year Ended September 30 | |
|---|---|---|
| | **2025** | **2024** |
| **Investing activities** | | |
| Payments received from notes receivable | **$ 308** | $ 367 |
| Additions to property and equipment | **(437,449)** | (502,334) |
| Proceeds from sale of contributed real property held for sale | **45** | 604 |
| Purchases of alternative investments | **(376,691)** | (266,038) |
| Proceeds from sales of alternative investments | **444,828** | 441,962 |
| Net cash used in investing activities | **(368,959)** | (325,439) |
| **Financing activities** | | |
| Proceeds from Line of Credit | **–** | 194,000 |
| Repayment of Line of Credit | **(119,000)** | (75,000) |
| Proceeds from short-term debt borrowings, net | **–** | 123,025 |
| Proceeds from long-term debt borrowings, net | **687,967** | 648,842 |
| Principal payments on short-term borrowings | **(50,000)** | – |
| Principal payments on long-term debt | **(536,145)** | (776,560) |
| Principal payments on finance leases | **(6,958)** | (7,521) |
| Contributions from noncontrolling interest | **3,999** | 2,495 |
| Contribution proceeds restricted for endowment | **32,273** | 21,294 |
| Net cash provided by financing activities | **12,136** | 130,575 |
| Net (decrease) increase in cash, cash equivalents, and restricted cash | **(35,726)** | 46,818 |
| Cash, cash equivalents, and restricted cash beginning of year | **547,306** | 500,488 |
| Cash, cash equivalents, and restricted cash end of year | **$ 511,580** | $ 547,306 |
| **Supplemental disclosure of cash flow information** | | |
| Interest paid (net of capitalized interest) | **$ 139,543** | $ 133,497 |
| **Supplemental disclosures of noncash activity** | | |
| Right-of-use assets obtained in exchange for lease obligations: | | |
| Finance lease obligations | **$ 9,295** | $ 4,789 |
| Operating lease obligations | **$ 28,876** | $ 41,334 |
| Additions to property and equipment included in accounts payable and accrued liabilities | **$ 39,755** | $ 67,080 |

*See accompanying notes.*

## 1. Organization

City of Hope, a California nonprofit public benefit corporation, with its principal offices located in Duarte, California, is the development organization of City of Hope National Medical Center (the "Center"), City of Hope Medical Foundation (the "Foundation"), and Beckman Research Institute of the City of Hope (the "Institute") (collectively, the "Obligated Group"); the Translational Genomics Research Institute and its Affiliates ("TGen"); Southern California Radiation Oncology, LLC ("SCRO"); AccessHope, LLC ("AH"); Stephenson Global Pancreatic Cancer Research Institute, LLC; COH Property Holdings OC, LLC ("Property Holdings"), COH Property Management OC, LLC; and COH HoldCo Inc. ("HoldCo"), the parent of Cancer Treatment Centers of America entities ("CAP Entities") (collectively, the "Affiliated Group").

The consolidated financial statements include the accounts of the Obligated Group and the Affiliated Group, collectively referred to as "City of Hope". The following entities are included in the consolidated financial statements:

The Center is a California nonprofit public benefit corporation treating primarily cancer and other life-threatening diseases. City of Hope is the sole corporate member of the Center. The Center is licensed to operate at a capacity of 234 beds.

The Foundation, with City of Hope as the sole corporate member, is a California nonprofit public benefit corporation organized as part of a coordinated health care delivery system to provide teaching, education, and research services in support of the Center and the Institute. The Foundation has a professional services agreement ("PSA") with City of Hope Medical Group ("COHMG"), an unconsolidated professional corporation. Under the terms of the PSA, COHMG physicians provide exclusive patient care services and academic services to the Foundation, and COHMG assigns to the Foundation the right to bill and collect for professional services rendered by COHMG physicians and other professional employees, and the Foundation contracts directly with payors for the provision of patient care services. Accordingly, net patient service revenues for the Foundation include amounts for services provided by COHMG physicians on behalf of the Foundation.

HoldCo, with City of Hope as the sole corporate member, is a nonprofit Delaware corporation that consolidates the CAP Entities. HoldCo is the parent organization of the CAP Entities and supports the activities of three hospitals, located in Arizona, Georgia, and Illinois, which provide comprehensive cancer care to patients, together with the associated physician groups and outpatient clinics. The three hospitals are licensed to operate at a total capacity of 161 beds.

**1. Organization (continued)**

The Institute, with City of Hope as the sole corporate member, is a California nonprofit public benefit corporation that owns and operates several major research facilities on or near City of Hope's main campus. The Institute conducts scientific research in support of, and in conjunction with, the patient care activities of the Center and the Foundation.

TGen, with City of Hope as the sole corporate member, is an Arizona nonprofit public benefit corporation with its principal office located in Phoenix, Arizona. TGen's primary mission is to make and translate genomic discoveries into advances in human health. The consolidated financial statements of TGen include the accounts of TGen and its wholly owned affiliates.

SCRO is a California for-profit joint venture between the Foundation and Vantage Oncology Treatment Centers, LLC ("Vantage") formed to manage and provide services to radiation therapy centers in Southern California. The Foundation owns 50.1% and Vantage owns 49.9% of SCRO. City of Hope consolidates SCRO due to the Foundation's ability to exercise control through its majority voting interest.

AH, headquartered in Duarte, California, is a Delaware limited liability company that provides for or arranges for the provision of certain oncology-related consultative, advisory, and support services to employers and payors throughout the United States. City of Hope owns a majority membership interest in AH. City of Hope consolidates AH due to its ability to exercise control through its majority voting interest.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The consolidated financial statements of City of Hope include the accounts of all wholly owned affiliates and its controlled affiliates, after elimination of intercompany transactions and balances. In addition, these statements follow generally accepted accounting principles in the United States of America ("U.S. GAAP") applicable to the not-for-profit industry as described in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 958, *Not-for-Profit Entities*.

**2. Summary of Significant Accounting Policies (continued)**

**Use of Estimates**

The preparation of City of Hope's financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Principal areas requiring the use of estimates include recognition of net patient service revenues at the transaction price, including estimated settlements with third-party payors; valuation of unconditional promises to give; valuation of annuity and split-interest agreement obligations; fair value of derivatives; impairment of goodwill and other intangibles; and self-insured liabilities. Management bases its estimates on historical experience and other assumptions deemed reasonable based on the facts and circumstances at the time of valuation. Actual results could differ from those estimates and the amounts could be material to the financial statements.

**Cash and Cash Equivalents**

Cash and cash equivalents reflect all unrestricted cash and cash equivalents that include highly liquid investments with original maturities of three months or less and exclude amounts whose use is limited under contractual or donor agreements or are held in investment portfolios that are included in short-term investments and investments held for long-term purposes on the consolidated statements of financial position. Amounts within restricted cash include cash and cash equivalents held in bond trust funds and represent funds set aside based on contractual arrangements. As of September 30, 2025 and 2024, the restricted cash held in bond trust funds were $34 and $12, respectively.

The total cash and cash equivalents, and restricted cash within the consolidated statements of financial position that comprise the amount reported on the consolidated statements of cash flows as of September 30, 2025 and 2024 was $511,580 and $547,306, respectively.

**2. Summary of Significant Accounting Policies (continued)**

**Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. These equity and debt securities are designated as trading securities since the investments are externally managed within the guidelines of City of Hope's investment policy. Fair value is established based on quoted prices from recognized security exchanges with changes in fair value recognized as unrealized gains and losses on investments. Investment transactions are recorded on a settlement date basis.

Investment income or loss on equity and debt securities included in net assets with donor restrictions (including realized gains and losses on investments, interest, and dividends) is reported in revenues without donor restrictions, unless the income or loss is specifically restricted by the donor or by law.

City of Hope accounts for its ownership interests in alternative investments, using the net asset value as a practical expedient for fair value as determined using investment valuations provided by external investment firms. The changes in fair value and share of earnings of the alternative investments are included in net unrealized gain or loss on investments.

City of Hope has certain equity investments where it does not have significant influence. City of Hope has elected to measure such investments at cost minus impairment under the measurement alternative, as the investments in privately held companies did not have readily determinable fair values given there were no observable transactions. No impairment was recorded for the fiscal years ended September 30, 2025 or 2024.

**Derivative and Hedging Instruments**

City of Hope does not have derivative instruments that are designated as qualifying hedges for accounting purposes. City of Hope utilizes derivative instruments to manage its interest rate exposure and overall cost of borrowing as economic hedges and thus, hedge accounting treatment is not applied. The derivative instruments include interest rate swaps, which are measured at fair value with the changes recorded in interest, including changes in fair value of swap agreements.

**2. Summary of Significant Accounting Policies (continued)**

**Patient Accounts Receivable and Net Patient Service Revenues**

Net patient service revenues are reported at the amount that reflects the consideration to which City of Hope expects to be entitled in exchange for providing patient care. These amounts, representing transaction price, are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration for retroactive revenue adjustments due to settlement of third-party payor audits or reviews. Patients and third-party payors are billed after the services are performed and/or the patient is discharged from the facility. City of Hope recognizes revenue as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by City of Hope. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to the total expected. City of Hope believes this method provides a reasonable depiction of the transfer of services over the term of the performance obligation based on the inputs necessary to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients receiving inpatient care services and the performance obligation is measured from admission to the hospital to the point when it is no longer required to provide goods or services to the patient for that admission, which is generally at the time of discharge. Outpatient services are performance obligations satisfied at a point in time and revenue is recognized when services are provided, and City of Hope does not believe it is required to provide additional services to the patient. Substantially all performance obligations relate to contracts with a duration of less than one year; City of Hope has elected to continue to apply the optional exemption provided in ASC 606-10-50-14(a) and therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

City of Hope has agreements with third-party payors that provide for payments to City of Hope at amounts different from established rates. Transaction prices are determined based on standard charges for goods and services provided to patients and are reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with City of Hope's charity policies, and historical experience. City of Hope determines its estimate of implicit price concessions based on historical collection experience using a portfolio approach updated for collection trends. City of Hope performs detailed reviews of historical write-offs and collections in estimating the collectability of accounts receivable. Updates to the estimation of variable consideration are performed at least quarterly based on historical collections and write-off data.

**2. Summary of Significant Accounting Policies (continued)**

Subsequent changes to estimates of the transaction price are generally recorded as adjustments to net patient revenue in the period of the change. Net patient revenue includes estimated settlements with third-party payors in the period in which the related services are rendered and adjusted in future periods as final settlements are determined. These settlements are considered variable consideration, which are estimated and evaluated based on the terms of the payment agreements and correspondence with the payor, and historical settlement activity to ensure it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Such estimates are based on the most likely amount and adjusted as new information becomes available, or as years are settled or no longer subject to a cost report audit, review, or investigation.

**Property and Equipment**

Property and equipment are stated at cost when purchased or at fair market value on the contribution date in the case of a donation. When property and equipment are sold or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is included in other revenue or expense, respectively. The costs of maintenance, repairs, and minor replacements are charged to expense when incurred.

City of Hope provides for depreciation and amortization using the straight-line method over the following estimated useful lives:

| | |
|---|---|
| Buildings and improvements | 7 to 40 years |
| Equipment and furniture | 3 to 15 years |
| Software | 3 to 5 years |

City of Hope reviews long-lived assets for impairment when events or changes in business conditions indicate that the carrying value of the asset (asset group) may not be recoverable. If deemed nonrecoverable, the asset shall be adjusted to its estimated fair value with the impairment loss included in other expense.

**2. Summary of Significant Accounting Policies (continued)**

**Leases**

City of Hope enters into right-of-use operating and finance leases primarily for buildings and equipment. For leases with terms greater than 12 months, City of Hope records the related right-of-use asset and liability at the present value of the lease payments over the contract term using a risk-free interest rate when the rate implicit in the lease is not readily determinable. City of Hope elected the practical expedient not to separate contract lease and non-lease components. Building lease agreements generally require City of Hope to pay maintenance, repairs, property taxes, and insurance costs, which are variable amounts based on actual costs incurred during each applicable lease period. Such costs are not included in the determination of right-of-use assets or liabilities. Variable lease costs also include escalating rent payments over the lease term based on changes in the consumer price index or other measures of inflation. Leasehold improvements are amortized on a straight-line basis over the term of the lease or estimated useful life, whichever is shorter. Amortization of finance leases is included within depreciation and amortization.

Most leases include one or more options to renew the lease at the end of the initial term, with renewal terms that generally extend the lease at the then-market rate of rental payments. City of Hope evaluates whether it is reasonably certain such renewal options shall be executed in evaluating the appropriate lease term for calculating the lease liability. Certain leases also include an option to buy the underlying asset at or a short time prior to the termination of the lease. All such options are at City of Hope's discretion and are evaluated at the commencement of the lease, with only those options that are reasonably certain of exercise included in the determination of the appropriate lease term. The discount rates applied in measurement of the lease liability is the risk-free rate associated with the term of the lease.

**Goodwill and Other Intangible Assets**

Goodwill represents the excess of the consideration paid over the fair value of the net assets acquired. City of Hope has elected to amortize goodwill, under the accounting alternative, on a straight-line basis over ten years. The annual amortization expense was $10,660 and the accumulated goodwill amortization was $61,153 and $50,493, respectively, as of September 30, 2025 and 2024. City of Hope performs a one-step impairment evaluation at the entity level only when an impairment indicator exists. There was no indication of impairment for goodwill as of September 30, 2025 or 2024. Goodwill, net of amortization, was $45,446 and $56,106 as of September 30, 2025 and 2024, respectively.

**2. Summary of Significant Accounting Policies (continued)**

Intangible assets other than goodwill consist of indefinite-lived trade name of $4,000 and definite-lived intangible assets, net of accumulated amortization, totaling $2,845 and $3,342 as of September 30, 2025 and 2024, respectively. Definite-lived intangible assets are amortized on a straight-line basis over the estimated useful life of the assets. City of Hope recorded $496 and $486 of amortization expense during the fiscal years ended September 30, 2025 and 2024, respectively, which is included in depreciation and amortization. Estimated amortization expense for intangible assets is approximately $489 annually for the next five years and $400 thereafter.

Definite-lived intangibles are subject to an impairment assessment when significant indicators of impairment exist with impairment loss included in other expense. No impairment loss was recorded in 2025 and 2024, respectively.

**Net Assets Without Donor Restrictions**

A rollforward of controlling interests and noncontrolling interests net assets without donor restrictions for the fiscal years ended September 30, 2025 and 2024, is as follows:

| | Controlling Interests | Noncontrolling Interests | Total |
|---|---|---|---|
| Net assets, September 30, 2023 | $ 3,348,825 | $ 27,138 | $ 3,375,963 |
| Changes in net assets before other changes | 299,310 | (4,061) | 295,249 |
| Contribution from noncontrolling interest | – | 2,495 | 2,495 |
| Balance as of September 30, 2024 | 3,648,135 | 25,572 | 3,673,707 |
| Changes in net assets before other changes | **135,563** | **(2,933)** | **132,630** |
| Contribution from noncontrolling interest | **–** | **3,999** | **3,999** |
| Balance as of September 30, 2025 | **$ 3,783,698** | **$ 26,638** | **$ 3,810,336** |

**2. Summary of Significant Accounting Policies (continued)**

**Contributions**

All contributions are considered without donor restrictions, unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as contributions with donor restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulated that resources be maintained in perpetuity in a true endowment.

When the donor designation is met, a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions, which is reflected as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same fiscal period as the contributions are received are also reflected as net assets released from restrictions.

City of Hope is the beneficiary under various wills and trust agreements of which the total realizable amount is not readily determinable at the date of gift. In the case of wills, such amounts are recognized as contributions when the will is declared valid by a probate court and the proceeds are measurable. For the fiscal years ended September 30, 2025 and 2024, valid will and trust agreement amounts that became measurable totaled $51,270 and $43,173, respectively, and are included in contributions.

*Promises to Give*

City of Hope reports unconditional promises to give as contributions with donor restrictions and such contributions are recognized at fair value, which represents the net present value of expected future payments. The discount rate used is the estimated risk-free rate at the time of donation, which ranged from 3.14% to 5.55% and 1.20% to 4.96%, for the fiscal years ended September 30, 2025 and 2024, respectively. The fair value estimate includes management’s consideration of City of Hope’s historical experience with collections, creditworthiness, and other factors.

Changes in the allowance for uncollectible promises to give and the amortization of pledge discounts are included in contribution revenue to the extent previously recognized when collected. Subsequent changes in the collectability of promises to give are included in other expense.

**2. Summary of Significant Accounting Policies (continued)**

The net unconditional promises to give consist of the following as of September 30:

| | 2025 | 2024 |
|---|---|---|
| Due in one year or less | **$ 63,277** | $ 101,700 |
| Due after one year through five years | **214,815** | 224,873 |
| Due after five years | **97,228** | 109,217 |
| Total unconditional promises to give, gross | **375,320** | 435,790 |
| Less allowance and discounts | **(60,448)** | (63,737) |
| Total unconditional promises to give, net | **314,872** | 372,053 |
| Less current | **(63,277)** | (101,700) |
| Total unconditional promises to give, noncurrent | **$ 251,595** | $ 270,353 |

**Split-Interest Agreements**

City of Hope receives contributions from various types of split-interest agreements, including charitable gift annuities, charitable remainder annuity trusts, and charitable remainder unitrusts. City of Hope may be named as a trustee or a co-trustee, or a financial institution may be named as the trustee. Under a charitable gift annuity arrangement, City of Hope recognizes the agreement in the period in which the contract is executed. The assets from the donor are recognized at fair value, and the liabilities designated by the donor to various beneficiaries are recognized at the present value of the estimated future payments to be distributed by City of Hope to such beneficiaries. The discount rate applied as of September 30, 2025 and 2024 was 4.8% and 3.8%, respectively. The difference between the assets and liabilities represents the amount of the contribution revenue.

Some states have laws that mandate certain requirements regarding gift annuity reserves. These laws can be based on where the nonprofit entity is located or where the gift annuity donor resides. City of Hope has state-mandated reserves above the actuarial annuity reserves in the amount of $989 and $571 as of September 30, 2025 and 2024, respectively. Additionally, City of Hope has voluntary reserves in the amount of $10,423 and $10,553 as of September 30, 2025 and 2024, respectively, that are to protect the reserve fund against unexpected market fluctuations and actuarial changes. These voluntary reserves are included in investments and net assets without donor restrictions.

**2. Summary of Significant Accounting Policies (continued)**

Under charitable trust arrangements in which City of Hope is not the trustee or is a co-trustee, City of Hope recognizes, in the period the agreement is executed, donor-restricted long-term contribution receivables and contribution revenues at the present value of the estimated future benefits to be received when the trust assets are expected to be distributed. Trust distributions are recorded as a reduction in receivables, while adjustments to the receivables to reflect amortization of the discount and changes in actuarial assumptions during the term of the trust are recorded as donor-restricted contributions.

Receivables totaling $83,374 and $93,985 as of September 30, 2025 and 2024, respectively, are to be collected over the average remaining life of 15.9 and 13.8 years, respectively. There was no contribution revenue related to split-interest agreements recognized for the fiscal year ended September 30, 2025 and 2024.

**Research Grants, Contracts, and Clinical Trials Revenue**

Research grants, contracts, and clinical trials revenue includes federal, state, and local jurisdiction awards and other exchange transactions. An exchange transaction is one in which there is reciprocal benefit where each party receives an approximate commensurate value. Research grants, contracts, and clinical trials revenue is recognized in the period it is earned based on when the applicable project expenses have been incurred and project milestones are achieved.

Payments received in advance of related project expenses are recorded as contract liabilities.

**Contract Liabilities**

City of Hope defers recognition of revenue received in advance of certain performance obligations, including fundraising events, research grants, and other agreements, prior to such funds being earned. The following is a summary of contract liabilities as of September 30:

| | 2025 | 2024 |
|---|---|---|
| Fundraising events and other activities | **$ 5,286** | $ 2,958 |
| Donor-restricted conditional contributions | **631** | 672 |
| Grants revenue | **32,566** | 28,500 |
| Total contract liabilities | **$ 38,483** | $ 32,130 |

**2. Summary of Significant Accounting Policies (continued)**

For the fiscal years ended September 30, 2025 and 2024, $30,665 and $20,940, respectively, was recognized in revenue from contract liabilities.

**Income Taxes**

City of Hope is exempt from federal income tax under Section 501(a) as described in Section 501(c)(3) of the U.S. Internal Revenue Code. City of Hope, the Center, the Foundation, the Institute and HoldCo are exempt from California state franchise and income tax under Section 23701(d) of the California Revenue and Taxation Code.

TGen is exempt from Arizona corporate income tax under Section 43-1201(A) of the Arizona Revised Statutes. The 100% wholly owned entities of TGen are single-member, limited liability companies and are considered disregarded entities for tax purposes.

AH is majority owned by City of Hope and is treated as a partnership for federal and state income tax purposes until March 31, 2024. AH made a “check-the-box” election with an effective date of April 1, 2024, and is treated as a C-corporation for tax purposes. SCRO is treated as a partnership for federal and state income tax purposes.

ASC 740, *Income Taxes*, clarifies the accounting for income taxes by prescribing a minimum recognition threshold that a tax position is required to meet before being recognized in the consolidated financial statements. City of Hope has no significant uncertain tax positions or tax liability for tax benefits, interest, or penalties accrued as of September 30, 2025 or 2024.

**3. Fair Value of Financial Instruments**

City of Hope’s financial instruments include cash and cash equivalents, patient accounts receivable, grants and other receivables, short- and long-term investments, prepaid and other, accounts payable and other accrued liabilities, estimated amounts due from/to third-party payors, interest rate swaps, and annuity and split-interest agreement obligations. City of Hope considers the carrying amounts of current assets and liabilities (except for investment securities, which are carried at fair value, as described in Note 2) to approximate the fair value of these financial instruments because of the relatively short period of time between origination of the instruments and their expected realization.

**3. Fair Value of Financial Instruments (continued)**

Fair value is based on the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date. To increase consistency and comparability in fair value, a fair value hierarchy for valuation inputs was established that prioritizes inputs used to measure fair value into three broad levels, which are described below in the order of priority:

Level 1 (highest): Quoted prices (unadjusted) in active markets that are accessible for identical assets or liabilities.

Level 2: Observable prices that are based on inputs not quoted on active markets but can be corroborated by market data.

Level 3 (lowest): Unobservable inputs are used when little or no market data is available.

Assets and liabilities measured at fair value are based on one or more of three valuation techniques as identified in the tables below. Where more than one technique is noted, individual assets or liabilities were valued using one or more of the noted valuation techniques, as follows:

(a) *Market approach*. Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

(b) *Cost approach*. Amount that would be required to replace the service capacity of an asset (replacement cost).

(c) *Income approach*. Techniques to convert future amounts to a single present amount based on market expectations, including present value techniques.

City of Hope utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value. City of Hope incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty’s nonperformance risk in the fair value measurements.

## 3. Fair Value of Financial Instruments (continued)

City of Hope's assets and liabilities, measured at fair value on a recurring basis or at net asset value ("NAV") as a practical expedient to fair value, aggregated by the level in the fair value hierarchy and valuation technique as of September 30 are as follows:

| | Investments at Fair Value | | | | Investments | | Valuation Technique |
|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Fair Value | at NAV | Total | (a, b, c) |
| **2025** | | | | | | | |
| Investments: | | | | | | | |
| U.S. Government and agency obligations | **$ –** | **$ 13,211** | **$ –** | **$ 13,211** | **$ –** | **$ 13,211** | **a** |
| Corporate obligations | **–** | **82,010** | **–** | **82,010** | **–** | **82,010** | **a** |
| Asset-backed obligations | **–** | **29,446** | **–** | **29,446** | **–** | **29,446** | **a** |
| Mortgage-backed obligations | **–** | **6,061** | **–** | **6,061** | **–** | **6,061** | **a** |
| Marketable securities | **859,482** | **–** | **–** | **859,482** | **–** | **859,482** | **a** |
| Municipal obligations | **–** | **548** | **–** | **548** | **–** | **548** | **a** |
| Hedge funds, including private credit | **–** | **–** | **–** | **–** | **276,610** | **276,610** | |
| Equity commingled funds | **–** | **–** | **–** | **–** | **1,165,865** | **1,165,865** | |
| Private equity funds | **–** | **–** | **–** | **–** | **873,712** | **873,712** | |
| Private real assets | **–** | **–** | **–** | **–** | **335,018** | **335,018** | |
| Cash equivalents | **354,222** | **–** | **–** | **354,222** | **–** | **354,222** | **a** |
| Total investments | **1,213,704** | **131,276** | **–** | **1,344,980** | **2,651,205** | **3,996,185** | |
| Other long-term assets: | | | | | | | |
| Marketable securities | **80,642** | **–** | **–** | **80,642** | **–** | **80,642** | **a** |
| Total other long-term assets | **80,642** | **–** | **–** | **80,642** | **–** | **80,642** | |
| Interest rate swaps: | **–** | **9,972** | **–** | **9,972** | **–** | **9,972** | **c** |
| Total investments, interest rate swaps, and other long-term assets | **$ 1,294,346** | **$ 141,248** | **$ –** | **$ 1,435,594** | **$ 2,651,205** | **$ 4,086,799** | |
| Liabilities at fair value: | | | | | | | |
| Annuity and split-interest obligations | **$ –** | **$ –** | **$ 36,825** | **$ 36,825** | **$ –** | **$ 36,825** | **c** |
| Total liabilities | **$ –** | **$ –** | **$ 36,825** | **$ 36,825** | **$ –** | **$ 36,825** | |

## 3. Fair Value of Financial Instruments (continued)

| | Investments at Fair Value | | | | Investments | | Valuation Technique |
|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Fair Value | at NAV | Total | (a, b, c) |
| **2024** | | | | | | | |
| Investments: | | | | | | | |
| U.S. Government and agency obligations | $ – | $ 12,809 | $ – | $ 12,809 | $ – | $ 12,809 | a |
| Corporate obligations | – | 78,502 | – | 78,502 | – | 78,502 | a |
| Asset-backed obligations | – | 23,226 | – | 23,226 | – | 23,226 | a |
| Mortgage-backed obligations | – | 4,009 | – | 4,009 | – | 4,009 | a |
| Marketable securities | 799,303 | – | – | 799,303 | – | 799,303 | a |
| Municipal obligations | – | 722 | – | 722 | – | 722 | a |
| Hedge funds, including private credit | – | – | – | – | 356,729 | 356,729 | |
| Equity commingled funds | – | – | – | – | 1,164,980 | 1,164,980 | |
| Private equity funds | – | – | – | – | 780,261 | 780,261 | |
| Private real assets | – | – | – | – | 292,396 | 292,396 | |
| Cash equivalents | 336,855 | – | – | 336,855 | – | 336,855 | a |
| Total investments | 1,136,158 | 119,268 | – | 1,255,426 | 2,594,366 | 3,849,792 | |
| Other long-term assets: | | | | | | | |
| Marketable securities | 69,911 | – | – | 69,911 | – | 69,911 | a |
| Total other long-term assets | 69,911 | – | – | 69,911 | – | 69,911 | |
| Interest rate swaps | – | 8,601 | – | 8,601 | – | 8,601 | c |
| Total investments, interest rate swaps, and other long-term assets | $ 1,206,069 | $ 127,869 | $ – | $ 1,333,938 | $ 2,594,366 | $ 3,928,304 | |
| Liabilities at fair value: | | | | | | | |
| Annuity and split-interest obligations | $ – | $ – | $ 36,955 | $ 36,955 | $ – | $ 36,955 | c |
| Interest rate swaps | – | 1,896 | – | 1,896 | – | 1,896 | c |
| Total liabilities | $ – | $ 1,896 | $ 36,955 | $ 38,851 | $ – | $ 38,851 | |

There were no transfers between levels in the hierarchy for the periods presented.

**3. Fair Value of Financial Instruments (continued)**

Below summarizes the Level 3 assets and liabilities activities for the periods presented:

| | Assets | Liabilities |
|---|---|---|
| Ending balance as of September 30, 2023 | $ – | $ 33,053 |
| Additions | – | 2,734 |
| Investment returns, net | – | 799 |
| Distributions | – | (1,493) |
| Change in fair value | – | 1,862 |
| Ending balance as of September 30, 2024 | – | 36,955 |
| Additions | **–** | **2,392** |
| Investment returns, net | **–** | **2,259** |
| Distributions | **–** | **(3,035)** |
| Change in fair value | **–** | **(1,746)** |
| Ending balance as of September 30, 2025 | **$ –** | **$ 36,825** |

The following reconciles fair value amounts to the consolidated statements of financial position as of September 30:

| | 2025 | 2024 |
|---|---|---|
| Cash and cash equivalents | **$ 511,546** | $ 547,294 |
| Short-term investments | **1,324,458** | 1,467,415 |
| Self-insurance trust funds | **4,537** | 3,628 |
| Long-term investments | **11,254** | 8,702 |
| Board-designated assets | **1,544,528** | 1,464,591 |
| Bond trust funds | **34** | 12 |
| Donor-restricted investments | **983,866** | 865,867 |
| Interest rate swaps | **9,972** | 8,601 |
| | **4,390,195** | 4,366,110 |
| Less investment at net asset value | **(2,651,205)** | (2,594,366) |
| Less amounts held in operating cash | **(375,988)** | (499,667) |
| Less investments measured under accounting alternative | **(8,050)** | (8,050) |
| Plus amounts in other long-term assets | **80,642** | 69,911 |
| Investments at fair value | **$ 1,435,594** | $ 1,333,938 |

**3. Fair Value of Financial Instruments (continued)**

City of Hope's hedge fund investments consist of direct and multi-manager "fund of funds" investments. Strategies include long/short equity, long/short credit, private credit, and other strategies. Investments in these funds have limited liquidity and may be subject to various lockup periods, redemption fees, and notice requirements. Open-end funds typically reserve the right to reduce or suspend redemptions (gating event) and to satisfy redemptions by making distributions in kind, under certain circumstances. Additionally, open-end funds may hold, directly or indirectly, side-pocket investments where no redemptions are permitted until such investments are liquidated or deemed realized. Redemption periods range from monthly, quarterly, or annually with notice requirements between 30 and 90 days. City of Hope also invests in closed-end limited partnerships with private equity-like terms, including fund terms of eight years or greater, and capital calls on unfunded commitments, during its investment period. These select funds include credit strategies in which City of Hope may not withdraw, sell, assign, or transfer its interests, except in certain limited circumstances subject to consent by the general partners of the funds.

City of Hope's equity commingled funds invest primarily in marketable securities and fund limited partnerships. Various strategies seek to achieve attractive risk-adjusted returns across public and private equity and debt securities, derivatives, private companies, venture capital, real estate, etc. These alternative investments may invest in both registered and non-registered securities in the U.S. and globally, with exposure to both emerging and developed markets.

City of Hope's private equity investments consist of closed-end limited partnerships. Strategies include buyout, venture/growth capital, debt, and secondary private equity. Fund terms are typically ten years or greater. City of Hope may not withdraw, sell, assign, or transfer its interests in these funds, except in certain very limited circumstances, subject to consent by the general partners of the funds.

City of Hope's public and private real asset investments consist of fund limited partnerships that may invest in equity and debt of commercial, industrial, and residential properties, and energy and related companies. Fund terms are typically ten years or greater and City of Hope may not withdraw or sell, assign, or transfer its interests in these funds except in certain very limited circumstances, subject to consent by the general partners of the funds.

**3. Fair Value of Financial Instruments (continued)**

City of Hope's commitments to fund limited partnerships are generally structured as drawdown funds, to which City of Hope funds future capital calls as investments are made over the investment period as established in the respective fund terms. Based upon the most recent available information, the outstanding unfunded commitments as of September 30, 2025, are as follows:

| | 2025 |
|---|---|
| Private equity | $ 372,700 |
| Private real assets: | |
| Real estate | 145,500 |
| Natural resources | 9,700 |
| Private credit | 47,800 |
| Total unfunded commitments | $ 575,700 |

The fair value of annuity and split-interest obligations has been determined using present value techniques based on mortality tables and discount rates that are consistent with Internal Revenue Service published rates and the American Council on Gift Annuities.

The fair value of interest rate swaps has been determined using the discounted cash flow analysis on the expected cash flows of each derivative based on the contractual terms, and observable market-based inputs, including interest rate curves and implied volatilities under the income approach.

Other long-term assets consist of 457(b) plans that are funded by plan participants of City of Hope.

**4. Patient Accounts Receivable and Net Patient Service Revenues**

Net patient service revenues for the fiscal years ended September 30 are as follows:

| | 2025 | 2024 |
|---|---|---|
| Medicare | **$ 1,469,860** | $ 1,208,915 |
| Medicaid | **282,889** | 248,062 |
| Contracted plans (including commercial, Medicare Advantage, and Medicaid managed care) | **2,934,668** | 2,582,625 |
| Indemnity, self-pay, and other | **161,196** | 116,790 |
| Net patient service revenues | **$ 4,848,613** | $ 4,156,392 |

City of Hope recognizes that revenues and receivables from government agencies are significant to its operations, but it does not believe there are significant credit risks associated with these government agencies. There are no significant concentrations of revenues or receivables from any payor that would subject City of Hope to any significant credit risks in the collection of patient accounts receivable.

The following table summarizes the percentages of gross accounts receivable from patients and third-party payors as of September 30:

| | 2025 | 2024 |
|---|---|---|
| Medicare | **19%** | 18% |
| Medicaid | **3** | 4 |
| Contracted plans (including commercial, Medicare Advantage, and Medicaid managed care) | **73** | 74 |
| Indemnity, self-pay, and other | **5** | 4 |
| | **100%** | 100% |

Patient service revenue includes retroactively determined settlements. City of Hope recorded increases to net patient service revenues totaling $70,272 and $36,066 for the fiscal years ended September 30, 2025 and 2024, respectively, related to prior period settlements.

**4. Patient Accounts Receivable and Net Patient Service Revenues (continued)**

During the fiscal year ended September 30, 2025, City of Hope recorded a $39,185 reduction to net patient service revenues due to a change in estimate related to the collectability of patient service revenues earned prior to October 1, 2024. The collection of patient accounts receivable has been adversely impacted by claims denials and rejections from third party payers, including health insurers and government programs. This change in estimate reflects additional write-offs, net of recoveries, for receivables previously reserved for as of September 30, 2024.

**Hospital Fee Programs**

The state of California enacted legislation for a hospital fee program to fund certain Medicaid coverage expansions. The program charges hospitals a quality assurance fee that is used to obtain federal matching funds for Medicaid with the proceeds redistributed as supplemental payments to California hospitals that treat Medicaid patients. There were two programs under the California hospital fee program with activity for the fiscal years ended September 30, 2025 and 2024: (1) a 24-month hospital fee program covering the periods from January 1, 2023 through December 31, 2024 and (2) a 12-month hospital fee program covering the period from January 1, 2025 through December 31, 2025. City of Hope also recognized net patient service revenue and hospital provider fee expenses associated with the Hospital Assessment Program for the state of Illinois.

The following table summarizes the net patient service revenues and hospital provider fee expenses from the hospital fee programs for the fiscal years ended September 30:

| | **2025** | **2024** |
|---|---|---|
| Hospital fee program revenue (net patient service revenues) | **$ 141,046** | $ 100,045 |
| Hospital provider fee expense | **(86,345)** | (50,721) |
| Income from hospital fee program | **$ 54,701** | $ 49,324 |

As of September 30, 2025, $19,649 and $94,935 of hospital fee programs receivable is included in grants and other receivables and other long-term assets, respectively, and $19,056 and $40,910 of hospital fee programs payable is included in other accrued liabilities and other long-term liabilities, respectively. As of September 30, 2024, $75,470 of hospital fee programs receivable is included in grants and other receivables, and $35,381 of hospital fee programs payable is included in other accrued liabilities.

## 5. Patient Charity Care

City of Hope provides care to patients who do not have the ability to pay and who meet City of Hope's criteria for financial assistance. Charity care is defined as uncompensated services provided to patients who cannot afford health care because of inadequate resources and/or who are uninsured. Certain medically necessary services provided to Medicare and Medicaid patients who are not reimbursed by the Medicaid program have been included in the estimated cost of patient charity care. City of Hope does not report charity care as net patient service revenue. The estimated cost represents the total direct and indirect cost calculated at the medical procedure level and pertains specifically to the respective charity and Medicare and Medicaid patient populations.

Procedure level cost includes the direct costs, such as labor and supplies, involved in providing the specific service, as well as an applicable allocation of departmental overhead (e.g., departmental management) and institutional overhead (e.g., administration, depreciation, and utilities).

The cost of providing charity care services during the fiscal years ended September 30, 2025 and 2024, was $66,070 and $69,474, respectively. See Note 16, Community Benefit Expense (Unaudited), for additional disclosure related to benefits for the broader community and support of governmental health care programs.

## 6. Property and Equipment, Net

A summary of the cost and accumulated depreciation and amortization of property and equipment as of September 30 is as follows:

| | 2025 | 2024 |
|---|---|---|
| Land | **$ 116,793** | $ 89,944 |
| Buildings | **1,846,375** | 1,404,696 |
| Leasehold improvements | **289,989** | 273,514 |
| Equipment and furniture | **1,211,891** | 1,079,428 |
| Software | **464,511** | 442,663 |
| | **3,929,559** | 3,290,245 |
| Accumulated depreciation and amortization | **(1,852,040)** | (1,662,827) |
| | **2,077,519** | 1,627,418 |
| Construction-in-progress | **714,101** | 981,453 |
| Total property and equipment, net | **$ 2,791,620** | $ 2,608,871 |

**6. Property and Equipment, Net (continued)**

Depreciation and amortization expense on property and equipment totaled $203,595 and $202,956 for the fiscal years ended September 30, 2025 and 2024, respectively. For the fiscal years ended September 30, 2025 and 2024, City of Hope recorded an impairment loss of $17,928 and $3,933, respectively, on long-lived assets, which is included in other expense. The impairment loss was recognized for the remaining carrying value with no residual value assigned for the assets deemed obsolete.

**7. Liquidity and Availability**

City of Hope's financial assets available for general expenditure within one year of September 30 include the following:

| | 2025 | 2024 |
|---|---|---|
| Cash and cash equivalents | **$ 511,546** | $ 547,294 |
| Short-term investments | **1,324,458** | 1,467,415 |
| Patient accounts receivable | **609,886** | 646,829 |
| Grants and other receivables | **168,803** | 224,657 |
| Board-designated assets | **1,544,528** | 1,464,591 |
| | **$ 4,159,221** | $ 4,350,786 |

As part of City of Hope's liquidity management plan, cash in excess of any daily requirement is invested in long-term investments. The investment portfolio contains liquid investments that can be drawn upon if necessary to meet liquidity needs. Investments limited as to use, such as self-insurance trust funds, investments held for long-term purposes, bond trust funds, and donor-restricted funds, are not included in the amounts disclosed above.

Board-designated assets include funds set aside to function as institutionally designated endowments as established by the Board of Directors for future research, program services, and capital expenditures for City of Hope. Board-designated assets can be used for liquidity purposes related to research, program services, and capital expenditures upon the approval of the Board of Directors.

**7. Liquidity and Availability (continued)**

City of Hope invests in alternative investments to increase the investment portfolio's diversification. Generally, these investments can be liquidated as needed by City of Hope to be available for City of Hope's general expenditures within one year of the consolidated statements of financial position. The redemption of the alternative investments may be subject to certain restrictions that do not have an impact on the liquidity profile.

**Line of Credit**

City of Hope maintains a syndicated revolving line of credit with certain banking institutions of up to $450,000 that expired on April 18, 2025. Prior to its expiration, City of Hope amended its line of credit in February 2025 with certain banking institutions to a revolving commitment of up to $350,000 with an option to add an additional $100,000 with the approval of the banks ("Line of Credit"). The Line of Credit will expire on February 7, 2028 and is secured as an obligation under the Obligated Group's Master Trust Indenture, as amended ("MTI"). City of Hope draws on the Line of Credit for general operating or liquidity needs as required. The amount drawn is subject to a Secured Overnight Financing Rate ("SOFR") interest rate of one to three months plus a spread at the time of borrowing. A nonrefundable unutilized fee is incurred at a rate based on City of Hope's credit rating, which is applied to any unused commitment balance. Commitment fees of $1,244 and $1,369 were incurred for the fiscal years ended September 30, 2025 and 2024, respectively.

As of September 30, 2025, there was no outstanding balance on the Line of Credit. As of September 30, 2024, the outstanding Line of Credit balance, included in long-term debt, net of current portion, was $119,000 and was subsequently refinanced under a two-year term loan (refer to Note 8, Long-Term Debt).

**Standby Letters of Credit**

City of Hope maintains standby letters of credit as required by various agencies to which City of Hope, CAP Entities and TGen are parties. In addition, City of Hope has a standby letter of credit associated with its commercial paper program as described below. As of September 30, 2025 and 2024, there was no outstanding balance on the standby letters of credit.

**7. Liquidity and Availability (continued)**

**Commercial Paper Program**

City of Hope has a commercial paper program that permits the issuance of up to $250,000 in aggregate principal outstanding at a discount, with maturities limited to 270-day periods. City of Hope offered the initial $125,000 in aggregate principal outstanding of taxable commercial paper notes ("CP Series A Notes"), which were issued on September 30, 2023 for the full amount. In March 2024, City of Hope offered the remaining $125,000 in aggregate principal outstanding of taxable commercial paper notes ("CP Series B Notes"), which were issued on April 17, 2024 for the full amount. The CP Series A Notes are backed by a standby letter of credit and the CP Series B Notes are backed by City of Hope's self-liquidity, which includes City of Hope's cash management and operating investment programs, to ensure the availability of funds to purchase any commercial paper that the dealer is unable to remarket. The standby letter of credit expires on September 26, 2027, subject to earlier termination in accordance with its terms and may be extended upon written notice. In addition, City of Hope incurs a non-refundable unutilized fee at a rate based on City of Hope's credit rating applied to the unused commitment balance.

During fiscal year ended September 30, 2025, City of Hope paid down an aggregate total of $50,000 associated with the CP Series B Notes from its operating funds. At September 30, 2025 and 2024, the balance outstanding under the commercial paper program was $200,000 and $250,000, respectively, which was issued at a discount ($198,846 and $246,963 net, respectively) with an average maturity of 49 days and 83 days, at the prevailing market interest rates (average of 4.25% and 5.33%, respectively).

**8. Long-Term Debt**

The following is a summary of City of Hope's long-term debt as of September 30:

| | 2025 | 2024 |
|---|---|---|
| Series 2012A Revenue Bonds – 3.75% to 5.00% fixed rate tax-exempt Revenue Bonds Series 2012A, originally $234,635, issued through the California Health Facilities Financing Authority ("CHFFA"). Interest payable semiannually on May 15 and November 15 and principal due annually (after partial redemption by Series 2025) beginning on November 15, 2036 through 2039 | **$ 20,000** | $ 173,045 |
| Series 2013 Notes – 5.62% fixed rate taxable direct obligation notes, originally $350,000. Interest due semiannually on May 15 and November 15, and principal due in full on November 15, 2043 | **350,000** | 350,000 |
| Series 2017 Revenue Notes – variable rate tax-exempt revenue notes Series 2017A, originally $32,680, and Series 2017B, originally $32,680, issued through the CHFFA. Interest due monthly and principal due annually beginning on November 15, 2039 through November 15, 2042 | **65,360** | 65,360 |
| Series 2018 Notes – 4.38% fixed rate taxable direct obligation notes, originally $300,000. Interest due semiannually on February 15 and August 15, and principal due in full on August 15, 2048 | **300,000** | 300,000 |
| Series 2019 Revenue Bonds – 4.00%–5.00% fixed rate tax-exempt Revenue Bonds Series 2019, originally $334,905, issued through the CHFFA. Interest due semiannually on May 15 and November 15, and principal due annually (after partial redemption by Series 2025) beginning on November 15, 2040 through November 15, 2049 | **274,905** | 334,905 |

**8. Long-Term Debt (continued)**

| | 2025 | 2024 |
|---|---|---|
| 2022 Notes – 5.81%–6.34% fixed rate taxable direct obligation notes, originally $600,000. Interest due semiannually on May 15 and November 15, principal due by tranche on November 15, 2027, November 15, 2032, and November 15, 2052, under Series 2022BCDE and Series 2023A | **$ 600,000** | $ 600,000 |
| 2023 IFA Loan – 6.85% fixed rate tax-exempt revenue bonds Series 2023A, originally $207,900, and variable rate taxable revenue Bonds Series 2023B, originally $442,100. Interest due monthly and principal due in full on November 15, 2053 for Series 2023A and October 15, 2024 for Series 2023B | **207,900** | 531,000 |
| Line of Credit – long-term variable rate line of credit. Interest due monthly and principal paid in full on October 15, 2024 (refinanced by 2024 Term Loan) | **–** | 119,000 |
| 2024 Term Loan – 5.61% fixed rate taxable term loan, originally $442,100. Interest due monthly and principal due in full on October 8, 2026 | **442,100** | – |
| 2024 OC Note – 5.00% fixed rate taxable secured note, originally $43,500. Interest due monthly and principal due in full on December 13, 2026 | **43,500** | – |
| Series 2025 Revenue Bonds – 5.00% fixed rate tax-exempt revenue bonds Series 2025, originally $189,140, issued through the CHFFA. Interest due semiannually on May 15 and November 15, and principal due annually beginning on November 15, 2028 through 2039 | **189,140** | – |
| | **2,492,905** | 2,473,310 |
| Less current maturities of long-term debt | **–** | (333,565) |
| Less unamortized bond issue costs | **(4,832)** | (4,819) |
| Less unamortized discount | **(4,354)** | (5,421) |
| Plus unamortized premium | **46,864** | 50,240 |
| | **$ 2,530,583** | $ 2,179,745 |

**8. Long-Term Debt (continued)**

Long-term debt maturities as of September 30, 2025, and payments for subsequent fiscal years are as follows:

| | |
|---|---|
| 2026 | $ – |
| 2027 | 485,600 |
| 2028 | 132,500 |
| 2029 | 13,920 |
| 2030 | 14,635 |
| Thereafter | 1,846,250 |
| | $ 2,492,905 |

Each of the following long-term debt instruments are secured by obligations issued under the Obligated Group's MTI, and such obligations are secured by a gross receivables pledge. As of September 30, 2025 and 2024, the Obligated Group was in compliance with its financial covenants for the respective issued debt obligations under the MTI.

**Series 2012 Revenue Bonds (Tax Exempt)** – In November 2012, the CHFFA issued $234,635 of tax-exempt fixed rate revenue bonds at a premium totaling $29,887 (Series 2012A), $32,500 of tax-exempt variable rate revenue bonds (Series 2012B), and $32,500 of tax-exempt variable rate revenue bonds (Series 2012C) and loaned the proceeds to City of Hope. The proceeds from the Series 2013 Notes were used for the Obligated Group's capital needs in furtherance of the implementation of the Obligated Group's strategic plan. The Series 2012B and Series 2012C bonds were subsequently refunded by the Series 2017 notes as described below. In June 2025, a portion of the Series 2012A Revenue Bonds were redeemed for $145,095 principal plus accrued interest by the Series 2025 Revenue Bonds, as described below.

**Series 2013 Notes (Taxable)** – In July 2013, City of Hope issued $350,000 of Series 2013 fixed rate Direct Obligation Notes. The proceeds from the Series 2013 Notes were used for the Obligated Group's capital needs in furtherance of the implementation of the Obligated Group's strategic plan.

**8. Long-Term Debt (continued)**

**Series 2017 Revenue Notes (Tax Exempt)** – In February 2017, the CHFFA issued Series 2017A variable rate revenue notes totaling $32,680 and Series 2017B variable rate revenue notes totaling $32,680 and loaned the proceeds to City of Hope. City of Hope used the proceeds to refund the Series 2012B and Series 2012C revenue bonds. The Series 2017 Revenue Notes were directly purchased by a commercial bank and have the same maturity and approximate principal amortization as the refunded Series 2012B and Series 2012C revenue bonds and bear interest based on 70% of the one-month interest rate (SOFR plus a spread). The variable interest rates ranged from 3.60% to 4.07% for the fiscal year ended September 30, 2025, and 4.13% to 4.72% for the fiscal year ended September 30, 2024.

**Series 2018 Notes (Taxable)** – In May 2018, City of Hope issued $300,000 of fixed rate Series 2018 Notes. The proceeds from the Series 2018 Notes are used for the Obligated Group's capital needs in furtherance of the implementation of the Obligated Group's strategic plan, including geographic expansion, addressing patient capacity, informatics, developing precision medicine, and funding research to support the development of innovative treatments.

**Series 2019 Revenue Bonds (Tax Exempt)** – In July 2019, the CHFFA issued $334,905 of fixed rate tax-exempt Series 2019 Revenue Bonds at a premium of $49,624 and loaned the proceeds to City of Hope. The proceeds from the Series 2019 Revenue Bonds were used for the construction and equipping of an outpatient clinic; a parking structure to support the outpatient clinic and balance parking requirements across the campus; and the construction of a building to provide accommodations for patients, family members, and guests. In June 2025, a portion of the Series 2019 Revenue Bonds were redeemed for $57,485 principal plus accrued interest by the Series 2025 Revenue Bonds, as described below.

**2022 Notes (Taxable)** – On December 15, 2022, City of Hope issued $600,000 of fixed rate direct obligation notes at par under a note purchase agreement. A portion of the 2022 Notes totaling $525,000 was purchased on December 15, 2022, and will mature in tranches in the following amounts and dates: $57,500 on November 15, 2027 (Series 2022B), $175,000 on November 15, 2032 (Series 2022C), and $292,500 on November 15, 2052 (Series 2022D and 2022E). The remaining portion of the 2022 Notes totaling $75,000 was purchased on January 18, 2023, and will mature on November 15, 2027 (Series 2023A). The proceeds of the 2022 Notes were used for general corporate purposes.

**8. Long-Term Debt (continued)**

**2023 IFA Loan (Tax-Exempt/Taxable)** – On October 17, 2023, the IFA issued $207,900 of fixed rate tax-exempt revenue bonds (Series 2023A) maturing on November 15, 2053, and $442,100 variable rate taxable revenue bonds (Series 2023B) that matured on October 15, 2024. The proceeds were loaned to City of Hope. City of Hope used the proceeds to refinance the Series 2022A taxable bonds and related loans issued in November 2022. The original proceeds were used by HoldCo to prepay in full its obligations under a bridge loan used to finance the purchase of the CAP Entities and provide working capital and general corporate purposes. City of Hope paid down Series 2023B with a partial redemption of $119,000 on February 5, 2024 and the remaining $323,100 at its October 15, 2024 maturity date from general operating funds.

**2024 Term Loan (Taxable)** – On October 8, 2024, City of Hope entered into a $442,100 fixed rate two-year term loan maturing on October 8, 2026. The proceeds from the 2024 Term Loan were used to refinance $119,000 drawn from the Line of Credit in February 2024 and reimburse other capital expenditures related to the Orange County, California campus.

**Series 2025 Revenue Bonds (Tax-exempt)** – On June 12, 2025, the CHFFA issued $189,140 of fixed rate tax-exempt Series 2025 Revenue Bonds at a premium of $14,784 and loaned the proceeds to City of Hope. City of Hope used the proceeds to redeem a portion of the outstanding Series 2012A Revenue Bonds ($145,095) and Series 2019 Revenue Bonds ($57,485) plus accrued interest.

The following long-term debt instrument is secured by a deed of trust.

**2024 OC Note (Taxable)** – On December 11, 2024, City of Hope (through Property Holdings) entered into a $43,500 fixed rate two-year secured note maturing on December 13, 2026. The note proceeds were used to fund the asset acquisition of an office building, land and related improvements in Orange County, California.

**Interest Rate Swap Transactions** – City of Hope uses interest rate swaps to manage interest rate risk associated with its outstanding variable rate debt obligations. City of Hope has four swap agreements in place and has the right to terminate the swaps prior to maturity for any reason with written notice.

**8. Long-Term Debt (continued)**

In November 2012, City of Hope entered into two interest rate swap agreements, with a notional amount of $32,500 each (total $65,000), that became effective on November 12, 2014 and maturing November 15, 2042 as an economic hedge against the variable interest rate payments on the Series 2012B and Series 2012C bonds (and subsequently refunded by the Series 2017 notes). City of Hope receives a floating rate tied to the interest rate (70% of SOFR) and pays a fixed rate of 2.715% and 2.720%, respectively, for the two interest rate swap agreements.

In February 2020, City of Hope entered into two forward-starting interest rate swap agreements with each having a notional amount of $71,355 (total $142,710) that became effective on November 15, 2022 and maturing November 15, 2039 as a hedge against the variable interest rate payments on a portion of the Series 2012A Bonds. One of these two agreements was terminated on November 16, 2022. The outstanding swap agreement has an amortizing notional schedule of $71,355 through November 15, 2023, $67,520 through the subsequent 12-months ended November 15, 2024 and $63,485 through the subsequent 12-months ended November 15, 2025. City of Hope receives a variable rate of 70% of the federal funds rate and pays a fixed rate of 0.8805% to its swap counterparty.

In October 2023, City of Hope entered into a five-year interest rate swap agreement with a notional amount of $207,900 that became effective on October 17, 2023 and maturing on October 17, 2028. The swap was entered into in conjunction with the Series 2023A bond. City of Hope receives a fixed rate of 6.85% and pays a variable rate of the Securities Industry and Financial Markets Municipal Association (or SIFMA) Municipal Swap Index plus a spread to its swap counterparty.

For the fiscal years ended September 30, 2025 and 2024, the change in the fair value of the interest rate swaps resulted in an unrealized gain of $3,267 and an unrealized loss of $5,737, respectively. Refer to Note 3, Fair Value of Financial Instruments, for the respective fair value of the interest rate swaps. The effect of the counterparty payments and receipts for the swaps was a net benefit of $8,631 and $6,097 for the fiscal years ended September 30, 2025 and 2024, respectively.

**Interest and Capitalized Interest** – Total interest cost incurred on all financing vehicles (including changes in fair value of interest rate swap agreements) totaled $139,486 and $148,261 in 2025 and 2024, respectively. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Capitalization of interest ceases when construction is complete and the asset is ready for its intended use.

**8. Long-Term Debt (continued)**

For the fiscal year ended September 30, 2025, there was no capitalized interest income. For the fiscal year ended September 30, 2024, capitalized interest income of $1,128 was earned on the 2019 bonds. Capitalized interest expense incurred during the same fiscal years was $4,469 and $12,101, respectively.

**9. Endowment**

Endowment funds are restricted to investments that are to be held in perpetuity to provide a permanent source of income. City of Hope's endowment as of September 30, 2025 consists of 151 individual funds established for a variety of purposes. The endowments include both donor-restricted "true" endowment funds, which are classified as net assets with donor restrictions, and funds designated by the Board of Directors to function as an endowment, which are classified as net assets without donor restrictions. City of Hope's endowment is invested in an investment pool. Below details the changes in endowment net assets for the fiscal years ended September 30:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Endowment net assets, September 30, 2023 | $ 1,208,842 | $ 407,122 | $ 1,615,964 |
| Investment returns, net | 256,534 | 70,937 | 327,471 |
| Change in donor designation | – | 674 | 674 |
| Contributions | – | 21,847 | 21,847 |
| Appropriation for expenditures | (785) | (10,852) | (11,637) |
| Endowment net assets, September 30, 2024 | 1,464,591 | 489,728 | 1,954,319 |
| Investment returns, net | **162,347** | **52,930** | **215,277** |
| Contributions | **–** | **25,303** | **25,303** |
| Appropriation for expenditures | **(82,410)** | **(16,624)** | **(99,034)** |
| Endowment net assets, September 30, 2025 | **$ 1,544,528** | **$ 551,337** | **$ 2,095,865** |

From time to time, the fair value of assets associated with individual donor-restricted true endowment funds may fall below the level that the donor or UPMIFA requires to be retained as a fund of perpetual duration. Deficiencies of this nature are reported in donor-restricted true endowment net assets. As of September 30, 2025 and 2024, respectively, there were no deficient funds.

**9. Endowment (continued)**

City of Hope follows the guidance outlined in the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") and classifies donor-restricted true endowment funds to include (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is the accumulated appreciation on donor-restricted true endowment funds, which are available for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA, and any deficiencies associated with investments where the value of the fund has fallen below the original value of the gift.

City of Hope considers the following factors when appropriating or accumulating donor-restricted endowment funds: duration and preservation of the fund, purposes of the donor-restricted endowment fund, general economic conditions, possible effects of inflation and deflation, expected total return from income and appreciation of investments, other resources of City of Hope, and the investment policies of City of Hope.

City of Hope has investment and spending policies designed to achieve a long-term rate of return intended to produce results that exceed the respective benchmark while assuming a moderate level of investment risk. To satisfy its long-term objectives, City of Hope relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). City of Hope targets a diversified asset allocation to achieve its long-term return objections within prudent risk constraints.

**10. Net Assets With Donor Restrictions**

Net assets with donor restrictions are available to fund the following purposes as of September 30:

| | 2025 | 2024 |
|---|---|---|
| Time restricted under annuity and split-interest obligations and other | **$ 473,224** | $ 541,234 |
| Patient care | **85,027** | 65,577 |
| Education | **64,779** | 43,144 |
| Research | **761,301** | 669,681 |
| Medical equipment and buildings | **7,479** | 9,933 |
| Total net assets with donor restrictions | **$ 1,391,810** | $ 1,329,569 |

## 10. Net Assets With Donor Restrictions (continued)

Net assets were released from donor restrictions by satisfying the following restricted purposes in the fiscal years ended September 30:

| | 2025 | 2024 |
|---|---|---|
| Time restricted under annuity and split-interest obligations and other | **$ 22,939** | $ 9,307 |
| Patient care | **9,563** | 9,141 |
| Education | **4,128** | 2,177 |
| Research | **113,705** | 106,342 |
| Equipment and buildings | **7,446** | 20,007 |
| Total donor-restricted net assets released from restrictions | **$ 157,781** | $ 146,974 |

## 11. Functional Classification of Expenses

City of Hope's primary program services consist of patient care, research, public information, and education. Expenses in general support of the program services of City of Hope are considered support services and include administrative and fundraising activities. Natural expenses that are attributable to more than one functional expense category are allocated using a variety of cost allocation methodologies, including headcount, square footage, and time and effort. Below details the total expenses by functional expense category for the fiscal years ended September 30:

| | Patient Care | Research | Public Information and Education | Administrative | Fundraising | Total |
|---|---|---|---|---|---|---|
| **2025** | | | | | | |
| Salaries, wages, and employee benefits | **$ 1,081,351** | **$ 401,009** | **$ 21,352** | **$ 450,684** | **$ 24,136** | **$ 1,978,532** |
| Purchased services and professional fees | **358,188** | **138,226** | **14,629** | **264,475** | **13,471** | **788,989** |
| Supplies and pharmaceuticals | **1,934,447** | **118,939** | **1,732** | **39,843** | **6,347** | **2,101,308** |
| Interest, including changes in fair value of swap agreements | **78,789** | **17,890** | **1,154** | **33,916** | **–** | **131,749** |
| Depreciation and amortization | **116,277** | **45,117** | **1,518** | **58,130** | **289** | **221,331** |
| Hospital provider fee | **86,345** | **–** | **–** | **–** | **–** | **86,345** |
| Equipment rental and maintenance | **34,277** | **18,136** | **7,584** | **32,616** | **315** | **92,928** |
| Occupancy | **23,580** | **19,440** | **4,927** | **33,481** | **3,908** | **85,336** |
| Insurance | **4,798** | **2,026** | **977** | **5,340** | **138** | **13,279** |
| Other expense | **59,927** | **49,756** | **13,753** | **84,997** | **13,316** | **221,749** |
| Total expenses | **$ 3,777,979** | **$ 810,539** | **$ 67,626** | **$ 1,003,482** | **$ 61,920** | **$ 5,721,546** |

## 11. Functional Classification of Expenses (continued)

| | Patient Care | Research | Public Information and Education | Administrative | Fundraising | Total |
|---|---|---|---|---|---|---|
| **2024** | | | | | | |
| Salaries, wages, and employee benefits | $ 986,049 | $ 377,945 | $ 19,135 | $ 403,607 | $ 23,962 | $ 1,810,698 |
| Purchased services and professional fees | 344,646 | 127,492 | 11,665 | 236,301 | 16,523 | 736,627 |
| Supplies and pharmaceuticals | 1,620,188 | 99,391 | 1,197 | 29,741 | 9,179 | 1,759,696 |
| Interest, including changes in fair value of swap agreements | 65,989 | 19,302 | 915 | 55,691 | – | 141,897 |
| Depreciation and amortization | 113,354 | 44,553 | 1,455 | 57,440 | 220 | 217,022 |
| Hospital provider fee | 50,721 | – | – | – | – | 50,721 |
| Equipment rental and maintenance | 31,116 | 17,587 | 8,708 | 28,170 | 390 | 85,971 |
| Occupancy | 20,786 | 16,673 | 4,904 | 28,318 | 4,004 | 74,685 |
| Insurance | 5,866 | 2,509 | 1,632 | 5,494 | 96 | 15,597 |
| Other expense | 44,429 | 41,733 | 13,201 | 48,516 | 1,701 | 149,580 |
| Total expenses | $ 3,283,144 | $ 747,185 | $ 62,812 | $ 893,278 | $ 56,075 | $ 5,042,494 |

## 12. Retirement Plans

City of Hope, the Center, the Foundation, the Institute, and AH (through December 31, 2023) participate in the City of Hope Defined Contribution Plan (the "Plan"). The Plan was established to provide benefits to eligible employees as defined in the Plan. Depending on years of service and salary, contributions range between 2% and 10% of qualified compensation for eligible participants and are subject to the Plan's vesting provisions. The employer contribution is subject to Internal Revenue Code limitations.

The Center and the Institute participate in the City of Hope Research Staff Organization ("RSO") Tax Deferred Annuity Plan, which was established to provide benefits to eligible members of City of Hope RSO as defined in the plan document. Participants receive employer contributions of 15% based on eligible salary. Further, the subsidiaries (TGen, SCRO, CAP Entities, and AH effective January 1, 2024) have their respective defined contribution plans provided to eligible employees with matching contributions subject to certain eligibility criteria.

Contribution expense for the plans totaled $65,011 and $56,930 for the fiscal years ended September 30, 2025 and 2024, respectively.

## 13. Insurance Programs

City of Hope has insurance coverage in place for workers' compensation, employee health and professional liabilities. The provisions include estimates for the ultimate costs for both reported claims and claims incurred but not reported. These estimates, as determined by a third-party actuary, incorporate City of Hope's historical experience and other factors, including the nature of claims, industry data, relevant trends, and the use of actuarial information.

### Workers' Compensation and Employee Health

City of Hope carries two workers' compensation insurance programs (excluding SCRO as an independent coverage holder), both of which are occurrence-based policies. In California, the organization operates under a self-insured plan for claims up to $1,000 per individual claim, supplemented by an excess insurance policy that covers amounts exceeding this threshold. In all other states, coverage is provided through a fully insured program at statutory limits, with a $1,000 deductible per claim. In addition, City of Hope carries insurance for its self-funded plans to cover employee health benefits, including medical, pharmacy and dental.

The following is a summary of City of Hope's estimated worker's compensation liability as of September 30:

| | 2025 | 2024 |
|---|---|---|
| Estimated liability, current portion | **$ 7,705** | $ 6,131 |
| Estimated liability, long-term portion | **33,247** | 28,172 |
| Total estimated worker's compensation liability | **$ 40,952** | $ 34,303 |

The estimated worker's compensation liability is included in accrued salaries, wages, and employee benefits (current portion) and other long-term liabilities (long-term portion). Such accruals were recorded using a 4% discount factor as of September 30, 2025 and 2024. The basis of the discount rate is the risk-free rate of return and the estimated period over which claims will be settled. The accruals represent the total actuarially determined loss without reduction for the portion that is expected to be recoverable through insurance ($13,543 and $8,732 as of September 30, 2025 and 2024, respectively, reflected within other assets). Workers' compensation expense totaled $12,130 and $13,985 for the fiscal years ended September 30, 2025 and 2024, respectively.

**13. Insurance Programs (continued)**

The estimated liability for employee health claims totaled $14,378 and $11,717 as of September 30, 2025 and 2024, respectively, and is recorded in accrued salaries, wages, and benefits. Employee health benefit expense totaled $165,772 and $125,594 for the fiscal years ended September 30, 2025 and 2024, respectively.

**Professional Liability Insurance**

Effective February 1, 2024, City of Hope carries professional liability insurance under a claims-made commercial insurance policy consolidated into one policy covering all entities except SCRO. City of Hope is liable for up to $1,000 retention per individual claim with an aggregate of up to $6,000 overall with a $40,000 total limit in annual aggregate claims.

Prior to February 1, 2024, the Center, the Foundation, and the Institute maintained professional liability insurance under a claims-made program with limits of $250 retention per individual claim with a $50,000 total limit in annual aggregate claims. The CAP Entities maintained professional liability insurance under a claims-made program with individual claim limits of $2,000 retention in Arizona and $5,000 in Georgia and Illinois with an aggregate $40,000 total limit.

SCRO maintains health care professional liability insurance under a claims-made commercial insurance policy with limits of up to $10,000 per occurrence and a deductible of $10 for each claim.

The following is a summary of City of Hope's estimated professional liability as of September 30:

| | 2025 | 2024 |
|---|---|---|
| Estimated liability, current portion | **$ 2,535** | $ 2,015 |
| Estimated liability, long-term portion | **8,428** | 6,799 |
| Total estimated professional liability | **$ 10,963** | $ 8,814 |

**13. Insurance Programs (continued)**

The estimated professional liability is included within other accrued liabilities (current portion) and other long-term liabilities (long-term portion). Such accruals were recorded using a 4% discount factor as of September 30, 2025 and 2024. The basis of the discount rate is the risk-free rate of return and the estimated period over which claims will be settled. The accruals represent the total actuarially determined loss without reduction for the portion that is expected to be recoverable through insurance ($2,711 and $1,746 at September 30, 2025 and 2024, respectively), which are included in other assets. The professional liability insurance expense included in other expense amounted to $3,853 and $6,694 for the fiscal years ended September 30, 2025 and 2024, respectively.

**14. Leases**

Lease expense for lease payments is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the fiscal years ended September 30:

| | 2025 | 2024 |
|---|---|---|
| Right-of-use operating: | | |
| Operating lease expense | **$ 30,810** | $ 29,002 |
| Variable lease expense | **5,933** | 1,143 |
| Short-term lease expense | **5,428** | 3,389 |
| Sublease income | **(3,699)** | (93) |
| Right-of-use finance: | | |
| Amortization of leased assets | **6,580** | 2,920 |
| Interest on lease liabilities | **1,959** | 1,863 |
| Total lease expense | **$ 47,011** | $ 38,224 |

The weighted average lease term and discount rate are as follows as of September 30:

| | 2025 | 2024 |
|---|---|---|
| Right-of-use operating leases remaining lease term | **16.8 years** | 17.0 years |
| Right-of-use finance leases remaining lease term | **9.0 years** | 10.7 years |
| Right-of-use operating leases discount rate | **2.8%** | 2.6% |
| Right-of-use finance leases discount rate | **4.3%** | 4.3% |

**14. Leases (continued)**

Cash paid for amounts included in the measurement of lease liabilities for the fiscal years ended September 30 is as follows:

| | 2025 | 2024 |
|---|---|---|
| Operating cash flows for operating leases | **$ 28,417** | $ 33,527 |
| Operating cash flows for finance leases | **1,959** | 1,863 |
| Financing cash flows for finance leases | **6,958** | 7,521 |

The following table summarizes the maturity of right-of-use lease liabilities under operating and finance leases for subsequent fiscal years as of September 30, 2025:

| | Operating | Financing |
|---|---|---|
| 2026 | $ 27,552 | $ 11,060 |
| 2027 | 28,619 | 7,924 |
| 2028 | 26,342 | 7,261 |
| 2029 | 23,708 | 5,835 |
| 2030 | 22,095 | 4,704 |
| Thereafter | 128,058 | 15,830 |
| Total lease payments | 256,374 | 52,614 |
| Less interest | (49,892) | (7,928) |
| Total lease liabilities | 206,482 | 44,686 |
| Less current portion, lease liabilities | (21,882) | (9,289) |
| Long-term portion, lease liabilities | $ 184,600 | $ 35,397 |

**Right-of-Use Finance Lease Obligations** – City of Hope has entered into various right-of-use finance lease agreements for equipment and program and administrative facilities. Finance lease obligations are capitalized using the rate implicit in the lease agreement if the rate is readily determinable. Otherwise, City of Hope uses the risk-free rate available on the commencement date of the lease.

## 15. Commitments and Contingencies

### Medicare and Medicaid Laws and Regulations

City of Hope is reimbursed for services provided to patients under certain programs administered by governmental agencies. Laws and regulations governing Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future governmental review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. City of Hope believes it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations by government agencies or payors involving allegations of potential wrongdoing that may have a material impact on the consolidated financial statements.

### Collective Bargaining Agreements

City of Hope is subject to nine collective bargaining agreements related to certain members of its labor force. On a consolidated basis, approximately 39% of employees are covered under collective bargaining agreements as of September 30, 2025. Four of the nine agreements will expire in the following fiscal year.

### Litigation and Administrative Actions

From time to time, City of Hope is subject to claims arising in the ordinary course of business, including civil claims, administrative charges, and workers' compensation claims. City of Hope maintains insurance, including coverage for workers' compensation matters, subject to certain deductibles and policy limitations, in an amount City of Hope believes to be appropriate. In the opinion of management, the ultimate resolution of legal proceedings and other claims currently pending will not have a material adverse effect on the consolidated financial position, statements of activities, or cash flows of City of Hope.

Additionally, City of Hope identified inaccurate processes related to filling certain prescriptions, which has resulted in the potential receipt by City of Hope and third-party pharmacies of erroneous payments. City of Hope has made disclosures and necessary refunds to certain identified affected parties. City of Hope does not anticipate any further payments to be made related to this identified issue.

**15. Commitments and Contingencies (continued)**

**Health Care Regulations**

City of Hope is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, licensure, accreditation, governmental health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Federal laws prohibit submission of claims for reimbursement to the Medicare and Medicaid programs for services not rendered in accordance with applicable rules, laws, and regulations. Any overpayments received must be refunded to the government payor. Violation of these laws can result in substantial civil and criminal penalties and fines, including treble damages plus mandatory penalties of up to $11 per claim, as well as possible debarment from future participation in government health care programs.

City of Hope regularly reviews its claim processes to identify and correct issues. In the course of conducting such reviews, City of Hope may identify overpayments and refund those payments in accordance with Medicare and Medicaid requirements. While no material regulatory inquiries about past or present conduct have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

**Cybersecurity Incident**

In mid-October 2023, City of Hope became aware of suspicious activity on a subset of its information technology systems and immediately instituted mitigation measures to minimize any disruption to its operations. City of Hope launched an investigation into the nature and scope of the incident with the assistance of a leading cybersecurity firm, which determined that an unauthorized third party accessed a subset of its systems and obtained copies of some files between September 19, 2023 and October 12, 2023. An investigation was initiated by the U.S. Department of Health and Human Services Office for Civil Rights and closed without action, and no other regulatory investigations or enforcement actions have been commenced. In addition, City of Hope received notice of the filing of multiple class action lawsuits relating to the unauthorized copying of such files, and the parties have reached a settlement and that settlement has been preliminarily approved by the court. A final approval hearing has been set by the court for February 20, 2026. The cost of the litigation settlement is within City of Hope’s insurance coverage for cyber-attacks.

**15. Commitments and Contingencies (continued)**

**Capital Commitments (Unaudited)**

As of September 30, 2025, City of Hope has committed to spend $87,802 through 2026 and beyond for building and facility renovations, and various information technology projects.

**16. Community Benefit Expense (Unaudited)**

City of Hope supports a variety of programs and services that provide a direct benefit to its patients, as well as to the broader community. City of Hope supports a variety of clinical and basic science research activities to benefit the broader community through its focus on finding cures and treatments for cancer and other life-threatening diseases and the development of diagnostics for which research grants, contracts, and clinical trial funding are not available.

In addition, the cost of providing public information and education is also considered a community benefit. The Center, the Foundation, and the CAP Entities accept all patients who are covered by government subsidized programs – primarily Medicaid and Medicare fee for service, and who meet certain clinical criteria. These programs typically remit payments substantially less than charges and below the cost of providing the services. The following is a summary of the estimated benefits for the broader community for the fiscal years ended September 30 (unaudited):

| | 2025 | 2024 |
|---|---|---|
| **Benefits for the Broader Community – Support for Research (unaudited)** | | |
| Estimated institutionally supported research costs, net of grants received of $306,123 and $276,553 in 2025 and 2024, respectively | **$ 422,610** | $ 377,551 |
| **Support of Governmental Health Care Programs (unaudited)** | | |
| Estimated unreimbursed cost of the Medicaid Program, less net impact of the hospital fee program of $54,701 and $49,324 in 2025 and 2024, respectively | **11,273** | 25,986 |
| Estimated unreimbursed cost of the Medicare Program | **382,526** | 353,018 |
| | **393,799** | 379,004 |
| Total estimated benefits for the broader community and unreimbursed costs to governmental health care programs | **$ 816,409** | $ 756,555 |

**17. Subsequent Events**

City of Hope has evaluated subsequent events and disclosed all material events through February 25, 2026, which is the date these consolidated financial statements were issued.

# Reports Required by the Uniform Guidance

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# Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Management and the Board of Directors
City of Hope

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of City of Hope, which comprise the consolidated statement of financial position as of September 30, 2025, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"), and have issued our report thereon dated February 25, 2026.

## Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Hope's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Hope's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Hope's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



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**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Hope's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst & Young LLP

February 25, 2026



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# Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Management and the Board of Directors
City of Hope

## Report of Independent Auditors on Compliance for the Major Federal Program

### *Opinion on the Major Federal Program*

We have audited City of Hope's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on City of Hope's major federal program for the year ended September 30, 2025. City of Hope's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Hope complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2025.

### *Basis for Opinion on the Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Hope and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for the major federal program. Our audit does not provide a legal determination of City of Hope's compliance with the compliance requirements referred to above.



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***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Hope's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Hope's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Hope's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Hope's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of City of Hope's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Hope's internal control over compliance. Accordingly, no such opinion is expressed.



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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Ernst & Young LLP

May 14, 2026



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# Supplementary Information

# City of Hope

## Schedule of Expenditures of Federal Awards

### Year Ended September 30, 2025

| Federal Grantor/Program or Cluster Title/Pass-through Grantor | Assistance Listing Number | Pass-Through Grantor Identifying Number | Research and Development Cluster | Other Expenditures | Total Expenditures | Expenditures to Subrecipients |
|---|---|---|---|---|---|---|
| **U.S. Department of Agriculture** | | | | | | |
| Agricultural Research Basic and Applied Research | 10.001 | | $ 36,010 | $ – | $ 36,010 | $ – |
| Plant and Animal Disease, Pest Control, and Animal Care | 10.025 | | 543,170 | – | 543,170 | 237,561 |
| **Total U.S. Department of Agriculture** | | | **579,180** | **–** | **579,180** | **237,561** |
| **U.S. Department of Defense** | | | | | | |
| Military Medical Research and Development | 12.420 | | 3,803,164 | – | 3,803,164 | 26,000 |
| *Pass-through: Lawrence Berkeley National Laboratory* | 12.420 | NO. 7335652 | 173 | – | 173 | – |
| *Pass-through: Loma Linda University* | 12.420 | HT94252410767 | 6,855 | – | 6,855 | – |
| *Pass-through: Mayo Clinic – Jacksonville* | 12.420 | HT94252411101 | 19,173 | – | 19,173 | – |
| *Pass-through: Vanderbilt University* | 12.420 | W81XWH-20-2-0046 | 12,991 | – | 12,991 | – |
| *Pass-through: Washington University* | 12.420 | W81XWH-22-1-0665 | 12,543 | – | 12,543 | – |
| *Pass-through: Mayo Clinic* | 12.420 | W81XWH1910534 | 89,107 | – | 89,107 | – |
| *Pass-through: Saint Joseph's Medical* | 12.420 | HT94252410195 | 135,590 | – | 135,590 | – |
| Total 12.420 | | | 4,079,596 | – | 4,079,596 | 26,000 |
| Research and Technology Development | | | | | | |
| *Pass-through: Florida Institute For Human & Machine Cognition* | 12.910 | FA9550-23-1-0661 | 82,905 | – | 82,905 | – |
| **Total U.S. Department of Defense** | | | **4,162,501** | **–** | **4,162,501** | **26,000** |
| **U.S. Department of Treasury** | | | | | | |
| COVID-19 – Coronavirus State And Local Fiscal Recovery Funds | | | | | | |
| *Pass-through: City of Phoenix* | 21.027 | SLFRP1962 | – | 4,485 | 4,485 | – |
| **Total U.S. Department of Treasury** | | | **–** | **4,485** | **4,485** | **–** |

*See accompanying notes to Schedule of Expenditures of Federal Awards.*

# City of Hope

## Schedule of Expenditures of Federal Awards (continued)

### Year Ended September 30, 2025

| Federal Grantor/Program or Cluster Title/Pass-through Grantor | Assistance Listing Number | Pass-Through Grantor Identifying Number | Research and Development Cluster | Other Expenditures | Total Expenditures | Expenditures to Subrecipients |
|---|---|---|---|---|---|---|
| **National Science Foundation** | | | | | | |
| Engineering | 47.041 | | $ 8,658 | $ – | $ 8,658 | $ – |
| Biological Sciences | | | | | | |
| *Pass-through: University of Arizona* | 47.074 | 2207023 | 51,784 | – | 51,784 | – |
| Integrative Activities | | | | | | |
| *Pass-through: Meharry Medical College* | 47.083 | 221013HN091 | 87,746 | – | 87,746 | – |
| **Total National Science Foundation** | | | **148,188** | **–** | **148,188** | **–** |
| **U.S. Department of Health and Human Services** | | | | | | |
| Prevention of Disease, Disability, and Death by Infectious Diseases | | | | | | |
| *Pass-through: University of California, Davis School of Veterinary Medicine* | 93.084 | U01CK000649 | 117,728 | – | 117,728 | – |
| Food and Drug Administration Research | 93.103 | | 103,199 | – | 103,199 | – |
| *Pass-through: Fred Hutchinson Cancer Research Center* | 93.103 | 1144028 | (437) | – | (437) | – |
| Total 93.103 | | | 102,762 | – | 102,762 | – |
| Environmental Health | 93.113 | | 2,384,423 | – | 2,384,423 | 881,678 |
| *Pass-through: Brigham & Women's Hospital* | 93.113 | 1 R01 ES034079 | 125,924 | – | 125,924 | – |
| Total 93.113 | | | 2,510,347 | – | 2,510,347 | 881,678 |
| Oral Diseases and Disorders Research | 93.121 | | 57,340 | – | 57,340 | – |
| NIEHS Superfund Hazardous Substances_Basic Research and Education | 93.143 | | 1,500 | – | 1,500 | – |
| Human Genome Research | 93.172 | | 1,143,598 | – | 1,143,598 | 211,754 |

*See accompanying notes to Schedule of Expenditures of Federal Awards.*

# City of Hope

## Schedule of Expenditures of Federal Awards (continued)

### Year Ended September 30, 2025

| Federal Grantor/Program or Cluster Title/Pass-through Grantor | Assistance Listing Number | Pass-Through Grantor Identifying Number | Research and Development Cluster | Other Expenditures | Total Expenditures | Expenditures to Subrecipients |
|---|---|---|---|---|---|---|
| Research Related to Deafness and Communication Disorders | | | | | | |
| *Pass-through: Duke University* | 93.173 | 1 R01 DC020353 | $ 262,130 | $ – | $ 262,130 | $ – |
| *Pass-through: University of California, San Francisco* | 93.173 | 1 R01 DC021585 | 210,615 | – | 210,615 | – |
| Total 93.173 | | | 472,745 | – | 472,745 | – |
| Health Center Program Cluster | | | | | | |
| Health Center Program | | | | | | |
| *Pass-through: Wesley Health Centers Administration* | 93.224 | Agreement 08-14-24 | – | 5,014 | 5,014 | – |
| Total Health Center Program Cluster | | | – | 5,014 | 5,014 | – |
| Research on Healthcare Costs, Quality and Outcomes | 93.226 | | (1,499) | – | (1,499) | – |
| Mental Health Research Grants | 93.242 | | 906 | – | 906 | – |
| Alcohol Research Programs | 93.273 | | 461 | – | 461 | – |
| *Pass-through: Karolinska Institutet* | 93.273 | 1 R01 AA028549-01 | 205,448 | – | 205,448 | – |
| *Pass-through: University of Utah* | 93.273 | R01AA030256 | 6,287 | – | 6,287 | – |
| Total 93.273 | | | 212,196 | – | 212,196 | – |
| Drug Use and Addiction Research Programs | | | | | | |
| *Pass-through: University of Virginia* | 93.279 | 1 R01 DA059660 | 22,792 | – | 22,792 | – |
| Discovery and Applied Research for Technological Innovations to Improve Human Health | 93.286 | | (4,816) | – | (4,816) | – |
| *Pass-through: California Institute of Technology* | 93.286 | 1 R01 EB018975 | 37,895 | – | 37,895 | – |
| *Pass-through: University of California, Berkeley* | 93.286 | 1 R01 EB024989 | 244,469 | – | 244,469 | – |
| *Pass-through: University of California, Riverside* | 93.286 | 1 R21 EB033896 | 21,377 | – | 21,377 | – |
| Total 93.286 | | | 298,925 | – | 298,925 | – |

*See accompanying notes to Schedule of Expenditures of Federal Awards.*

# City of Hope

## Schedule of Expenditures of Federal Awards (continued)

### Year Ended September 30, 2025

| Federal Grantor/Program or Cluster Title/Pass-through Grantor | Assistance Listing Number | Pass-Through Grantor Identifying Number | Research and Development Cluster | Other Expenditures | Total Expenditures | Expenditures to Subrecipients |
|---|---|---|---|---|---|---|
| Minority Health and Health Disparities Research | | | | | | |
| *Pass-through: Fox Chase Cancer Center* | 93.307 | 1 R01 MD013347-01 | $ 601 | $ – | $ 601 | $ – |
| Trans-NIH Research Support | 93.310 | | 449,911 | – | 449,911 | 41,493 |
| *Pass-through: Rhode Island Hospital* | 93.310 | UG3OD023313 | 14,924 | – | 14,924 | – |
| Total 93.310 | | | 464,835 | – | 464,835 | 41,493 |
| 21st Century Cures Act – Beau Biden Cancer Moonshot | 93.353 | | 2,281,983 | – | 2,281,983 | 474,730 |
| *Pass-through: Ohio State University* | 93.353 | SPC-1000006244 - GR126554 | 36,844 | – | 36,844 | – |
| *Pass-through: University of Alabama at Birmingham* | 93.353 | R01 CA248439-01A1 | (4,994) | – | (4,994) | – |
| *Pass-through: University of Southern California* | 93.353 | 5 U2C CA252971 | 841,187 | – | 841,187 | – |
| *Pass-through: University of New Mexico* | 93.353 | U2CCA252973 | 1,544,110 | – | 1,544,110 | 56,121 |
| Total 93.353 | | | 4,699,130 | – | 4,699,130 | 530,851 |
| Public Health Nursing | | | | | | |
| *Pass-through: Centre International de Recherche Sur Le* | 93.383 | 1 U01 CA257679 | 169,799 | – | 169,799 | 16,419 |
| Cancer Cause and Prevention Research | 93.393 | | 6,766,450 | – | 6,766,450 | 1,004,613 |
| *Pass-through: Cedars-Sinai Medical Center* | 93.393 | 1 R01 CA280081 | 139,123 | – | 139,123 | – |
| *Pass-through: Cleveland Clinic Lerner College of Medicine of CWRU* | 93.393 | 1 R01 CA248931-A1 | 34,063 | – | 34,063 | – |
| *Pass-through: Dana-Farber Cancer Institute* | 93.393 | 1 R01 CA216273-01 | 41 | – | 41 | – |
| *Pass-through: Fred Hutchinson Cancer Research Center* | 93.393 | 6 U01 CA173642 | (1,331) | – | (1,331) | – |
| *Pass-through: Ohio State University* | 93.393 | 1 R37 CA259642 | (21) | – | (21) | – |
| *Pass-through: St. Jude Children's Research Hospital* | 93.393 | 1 U54 CA243124-01 | 3,459 | – | 3,459 | – |
| *Pass-through: Trustees of Boston University* | 93.393 | 1R01CA249982 | 338,725 | – | 338,725 | – |
| *Pass-through: Tufts Medical Center* | 93.393 | 5022556_SERV | 32,016 | – | 32,016 | – |
| *Pass-through: University of California, San Diego Health Maternal Fetal Care and Genetics* | 93.393 | 1 R01 CA271104 | 65,338 | – | 65,338 | – |
| *Pass-through: University of Kansas Medical Center Research Institute, Inc* | 93.393 | 5 R01 CA249437 | 37,412 | – | 37,412 | – |

*See accompanying notes to Schedule of Expenditures of Federal Awards.*

# City of Hope

## Schedule of Expenditures of Federal Awards (continued)

### Year Ended September 30, 2025

| Federal Grantor/Program or Cluster Title/Pass-through Grantor | Assistance Listing Number | Pass-Through Grantor Identifying Number | Research and Development Cluster | Other Expenditures | Total Expenditures | Expenditures to Subrecipients |
|---|---|---|---|---|---|---|
| *Pass-through: University of Alabama at Birmingham* | 93.393 | 1 U01 CA213140-01A1 | $ 9,188 | $ – | $ 9,188 | $ – |
| *Pass-through: University of California, Davis* | 93.393 | 1 R01 CA273313 | 21,674 | – | 21,674 | – |
| *Pass-through: University of Michigan* | 93.393 | 5 U24 CA269315 | 16,460 | – | 16,460 | – |
| *Pass-through: University of Pennsylvania* | 93.393 | 576656 | 173 | – | 173 | – |
| Total 93.393 | | | 7,462,770 | – | 7,462,770 | 1,004,613 |
| Cancer Detection and Diagnosis Research | 93.394 | | 4,863,372 | – | 4,863,372 | 1,161,571 |
| *Pass-through: California Institute of Technology* | 93.394 | R35CA220436 | 117,927 | – | 117,927 | – |
| *Pass-through: Mayo Clinic – Jacksonville* | 93.394 | 1 R01 CA237602 | 62,532 | – | 62,532 | – |
| *Pass-through: Rensselaer Polytechnic Institute* | 93.394 | 3 R01 CA250636 | 6,928 | – | 6,928 | – |
| *Pass-through: The Children's Hospital of Philadelphia* | 93.394 | 1 R01 CA254955-A1 | 166,030 | – | 166,030 | – |
| *Pass-through: Thomas Jefferson University* | 93.394 | 5 UG3CA247605 | 6,945 | – | 6,945 | – |
| *Pass-through: Children's Hospital Los Angeles* | 93.394 | 5 R01 CA274137 | 24,182 | – | 24,182 | – |
| *Pass-through: St. Jude Children's Research Hospital* | 93.394 | 1 R01 CA193478-01A1 | 320 | – | 320 | – |
| *Pass-through: M.D. Anderson Cancer Center University of Texas* | 93.394 | 2 U01 CA214263 | 58,805 | – | 58,805 | – |
| *Pass-through: University of Nebraska Medical Center* | 93.394 | 1 R01 CA218545-01A1 | 763 | – | 763 | – |
| *Pass-through: M.D. Anderson Cancer Center University of Texas* | 93.394 | U24CA086368 | 15,158 | – | 15,158 | – |
| *Pass-through: University of Pittsburgh* | 93.394 | U01CA271884 | 374,910 | – | 374,910 | – |
| Total 93.394 | | | 5,697,872 | – | 5,697,872 | 1,161,571 |
| Cancer Treatment Research | 93.395 | | 19,315,888 | – | 19,315,888 | 1,853,037 |
| *Pass-through: Brigham & Women's Hospital* | 93.395 | 5P01CA163205 | 35,709 | – | 35,709 | – |
| *Pass-through: Cedars-Sinai Medical Center* | 93.395 | 7 R01 CA273031 | 39,442 | – | 39,442 | – |
| *Pass-through: ECOG-ACRIN Medical Research Foundation, Inc.* | 93.395 | U10CA180820-07 | 27,828 | – | 27,828 | – |
| *Pass-through: Fred Hutchinson Cancer Research Center* | 93.395 | 1 R01 CA276050 | 18,021 | – | 18,021 | – |
| *Pass-through: M.D. Anderson Cancer Center University of Texas* | 93.395 | 5 UG1 CA242609 | 35,098 | – | 35,098 | – |
| *Pass-through: Mayo Clinic Arizona* | 93.395 | 1 R01 CA271431-A1 | 91,274 | – | 91,274 | – |

*See accompanying notes to Schedule of Expenditures of Federal Awards.*

# City of Hope

## Schedule of Expenditures of Federal Awards (continued)

### Year Ended September 30, 2025

| Federal Grantor/Program or Cluster Title/Pass-through Grantor | Assistance Listing Number | Pass-Through Grantor Identifying Number | Research and Development Cluster | Other Expenditures | Total Expenditures | Expenditures to Subrecipients |
|---|---|---|---|---|---|---|
| *Pass-through: NRG Oncology* | 93.395 | NRG-GU007 | $ 4,014 | $ – | $ 4,014 | $ – |
| *Pass-through: Ohio State University* | 93.395 | 1 R01 CA262388 | 88,378 | – | 88,378 | – |
| *Pass-through: Oregon Health & Science University* | 93.395 | 5 U10 CA1080888-07 | 14,737 | – | 14,737 | – |
| *Pass-through: Privo Technologies, Inc.* | 93.395 | 2 R44 CA281020 | 14,192 | – | 14,192 | – |
| *Pass-through: Public Health Institute (PHI)* | 93.395 | U10 CA180886 | 16,189 | – | 16,189 | – |
| *Pass-through: St. Jude Children's Research Hospital* | 93.395 | 2 U24 CA055727 | 35,638 | – | 35,638 | – |
| *Pass-through: Stony Brook University Research* | 93.395 | 1 R37 CA282650 | 31,513 | – | 31,513 | – |
| *Pass-through: The Children's Hospital of Philadelphia* | 93.395 | Agreement 08-29-13 | 3,633 | – | 3,633 | – |
| *Pass-through: University of California, San Diego Health Maternal Fetal Care and Genetics* | 93.395 | R01CA206911 | 743 | – | 743 | – |
| *Pass-through: University of California, Irvine* | 93.395 | 7 R01 CA266457 | 28,104 | – | 28,104 | – |
| *Pass-through: University of California, Los Angeles* | 93.395 | 1 R21 CA277660 | 3,916 | – | 3,916 | – |
| *Pass-through: University of Nebraska Medical Center* | 93.395 | 1 R01 CA247471 | 161,243 | – | 161,243 | – |
| *Pass-through: University of Rochester* | 93.395 | R01 CA177592 | 792 | – | 792 | – |
| *Pass-through: University of Southern California* | 93.395 | R01CA248381 | 29,356 | – | 29,356 | – |
| *Pass-through: University of Wisconsin Clinical Genetics* | 93.395 | 1 R01 CA262292 | 124,169 | – | 124,169 | – |
| *Pass-through: UPMC Hillman Cancer Center* | 93.395 | 1 U24 CA247643 | 14,468 | – | 14,468 | – |
| Total 93.395 | | | 20,134,345 | – | 20,134,345 | 1,853,037 |
| Cancer Biology Research | 93.396 | | 12,291,845 | – | 12,291,845 | 913,404 |
| *Pass-through: Dana-Farber Cancer Institute* | 93.396 | 1 P01 CA233412-01A1 | (2,579) | – | (2,579) | – |
| *Pass-through: Michigan State University* | 93.396 | 1 R01 CA247863 | 12,143 | – | 12,143 | – |
| *Pass-through: The Wistar Institute* | 93.396 | 5 R01 CA262631 | 39,513 | – | 39,513 | – |
| *Pass-through: University of California, San Francisco* | 93.396 | 1 R01 CA192914 | (13,613) | – | (13,613) | – |
| *Pass-through: University of Nebraska Medical Center* | 93.396 | 1 R01 CA244900-01 | 8,820 | – | 8,820 | – |
| *Pass-through: University of Southern California* | 93.396 | 1 U01 CA275808 | (74,447) | – | (74,447) | – |
| *Pass-through: Cleveland Clinic Lerner College of Medicine of CWRU* | 93.396 | P01CA245705 | 396,680 | – | 396,680 | – |
| *Pass-through: Cleveland Clinic Lerner College of Medicine of CWRU* | 93.396 | P01HL172729 | 607,797 | – | 607,797 | – |
| Total 93.396 | | | 13,266,159 | – | 13,266,159 | 913,404 |

*See accompanying notes to Schedule of Expenditures of Federal Awards.*

# City of Hope

## Schedule of Expenditures of Federal Awards (continued)

### Year Ended September 30, 2025

| Federal Grantor/Program or Cluster Title/Pass-through Grantor | Assistance Listing Number | Pass-Through Grantor Identifying Number | Research and Development Cluster | Other Expenditures | Total Expenditures | Expenditures to Subrecipients |
|---|---|---|---|---|---|---|
| Cancer Centers Support Grants | 93.397 | | $ 5,951,923 | $ – | $ 5,951,923 | $ 19,037 |
| *Pass-through: University of California, Los Angeles* | 93.397 | 2 P50 CA092131-16A1 | (14,915) | – | (14,915) | – |
| Total 93.397 | | | 5,937,008 | – | 5,937,008 | 19,037 |
| Cancer Research Manpower | 93.398 | | 3,479,300 | – | 3,479,300 | 108,097 |
| Cancer Control | | | | | | |
| *Pass-through: Oregon Health & Science University* | 93.399 | 5 UG1 CA189974 | 67,437 | – | 67,437 | – |
| *Pass-through: Public Health Institute (PHI)* | 93.399 | 7 UG1 CA189955 | 27,473 | – | 27,473 | – |
| *Pass-through: Virginia Commonwealth University* | 93.399 | FP00013648_SA002 | 49,478 | – | 49,478 | – |
| Total 93.399 | | | 144,388 | – | 144,388 | – |
| Congressional Directives | 93.493 | | – | 65,783 | 65,783 | – |
| Cardiovascular Diseases Research | 93.837 | | 2,993,121 | – | 2,993,121 | 100,077 |
| *Pass-through: Massachusetts General Hospital* | 93.837 | 1 R35 HL150807-01 | 1,194 | – | 1,194 | – |
| *Pass-through: Medical College of Wisconsin* | 93.837 | 1 OT3 HL147741 | 928,564 | – | 928,564 | 909,064 |
| *Pass-through: University of California, San Diego Health Maternal Fetal Care and Genetics* | 93.837 | 1 R01 HL168535 | 30,907 | – | 30,907 | – |
| *Pass-through: University of Massachusetts* | 93.837 | 1 R01 HL166541 | 47,483 | – | 47,483 | – |
| *Pass-through: Vanderbilt University* | 93.837 | 1 R35 HL140016-01 | 20,327 | – | 20,327 | – |
| *Pass-through: University of Arizona* | 93.837 | R01HL153112 | 39,429 | – | 39,429 | – |
| *Pass-through: Medical College of Wisconsin* | 93.837 | R56 HL167896 | 24,581 | – | 24,581 | – |
| Total 93.837 | | | 4,085,606 | – | 4,085,606 | 1,009,141 |
| Lung Diseases Research | 93.838 | | 788,119 | – | 788,119 | 290,617 |
| *Pass-through: University of Southern California* | 93.838 | 2 R01 HL114959 | 244,267 | – | 244,267 | – |
| *Pass-through: University of Virginia* | 93.838 | 1 R01 HL173369 | 31,202 | – | 31,202 | – |
| *Pass-through: Virginia Commonwealth University* | 93.838 | OT2HL161847 | 21,341 | – | 21,341 | – |

*See accompanying notes to Schedule of Expenditures of Federal Awards.*

# City of Hope

## Schedule of Expenditures of Federal Awards (continued)

### Year Ended September 30, 2025

| Federal Grantor/Program or Cluster Title/Pass-through Grantor | Assistance Listing Number | Pass-Through Grantor Identifying Number | Research and Development Cluster | Other Expenditures | Total Expenditures | Expenditures to Subrecipients |
|---|---|---|---|---|---|---|
| *Pass-through: Vanderbilt University* | 93.838 | R01HL168556 | $ 185,366 | $ – | $ 185,366 | $ – |
| *Pass-through: The Trustees of Indiana University* | 93.838 | R01HL168579 | 156,780 | – | 156,780 | – |
| *Pass-through: Vanderbilt University* | 93.838 | U01HL175444 | 605,721 | – | 605,721 | – |
| Total 93.838 | | | 2,032,796 | – | 2,032,796 | 290,617 |
| Blood Diseases and Resources Research | 93.839 | | 3,867,838 | – | 3,867,838 | 960,993 |
| *Pass-through: National Marrow Donor Program (NMDP)* | 93.839 | 1704 | 13,659 | – | 13,659 | – |
| *Pass-through: Memorial Sloan-Kettering Cancer Center* | 93.839 | 1 R01 HL164902 | 65,761 | – | 65,761 | – |
| Total 93.839 | | | 3,947,258 | – | 3,947,258 | 960,993 |
| Arthritis, Musculoskeletal and Skin Diseases Research | 93.846 | | 265,933 | – | 265,933 | 11,952 |
| Diabetes, Digestive, and Kidney Diseases Extramural Research | 93.847 | | 11,918,585 | – | 11,918,585 | 1,504,273 |
| *Pass-through: Cleveland Clinic Lerner College of Medicine of CWRU* | 93.847 | 7 R01 DK121019 | 38,855 | – | 38,855 | – |
| *Pass-through: Dana-Farber Cancer Institute* | 93.847 | 2 R01 DK078081 | 7,415 | – | 7,415 | – |
| *Pass-through: Endocrine Society* | 93.847 | 5 R25 DK096937 | 3,783 | – | 3,783 | – |
| *Pass-through: Fred Hutchinson Cancer Research Center* | 93.847 | 1 RC2 DK127989 | 441,443 | – | 441,443 | – |
| *Pass-through: Mayo Clinic – Rochester* | 93.847 | 2 R01 DK098468 | (50,381) | – | (50,381) | – |
| *Pass-through: Mount Sinai School of Medicine* | 93.847 | 1 R01 DK139631 | 441,725 | – | 441,725 | – |
| *Pass-through: Tulane University* | 93.847 | 1 R01 DK128907 | 126,193 | – | 126,193 | – |
| *Pass-through: University of California, Los Angeles* | 93.847 | 5 U24 DK132746 | 31,890 | – | 31,890 | – |
| *Pass-through: University of Pittsburgh* | 93.847 | 1 R01 DK128972 | 18,048 | – | 18,048 | – |
| *Pass-through: Van Andel Research Institute* | 93.847 | 1 R01 DK132216 | 290,718 | – | 290,718 | – |
| *Pass-through: Massachusetts General Hospital* | 93.847 | R01DK133847 | 76,999 | – | 76,999 | – |
| Total 93.847 | | | 13,345,273 | – | 13,345,273 | 1,504,273 |

*See accompanying notes to Schedule of Expenditures of Federal Awards.*

# City of Hope

## Schedule of Expenditures of Federal Awards (continued)

### Year Ended September 30, 2025

| Federal Grantor/Program or Cluster Title/Pass-through Grantor | Assistance Listing Number | Pass-Through Grantor Identifying Number | Research and Development Cluster | Other Expenditures | Total Expenditures | Expenditures to Subrecipients |
|---|---|---|---|---|---|---|
| Extramural Research Programs in the Neurosciences and Neurological Disorders | 93.853 | | $ 3,362,264 | $ – | $ 3,362,264 | $ 1,041,159 |
| *Pass-through: University of Pittsburgh* | 93.853 | R01NS121037 | 163,785 | – | 163,785 | – |
| *Pass-through: Virginia Polytechnic Institute and State University* | 93.853 | 1 R01 NS115971-A1 | 326,639 | – | 326,639 | – |
| *Pass-through: Saint Joseph Hospital* | 93.853 | R01NS120331 | 199,037 | – | 199,037 | – |
| *Pass-through: Saint Joseph Hospital* | 93.853 | R21NS128550 | 7,668 | – | 7,668 | – |
| *Pass-through: Saint Joseph Hospital* | 93.853 | R21NS130492 | 5,235 | – | 5,235 | – |
| *Pass-through: Arizona State University* | 93.853 | R21NS128151 | (901) | – | (901) | – |
| Total 93.853 | | | 4,063,727 | – | 4,063,727 | 1,041,159 |
| Allergy and Infectious Diseases Research | 93.855 | | 3,659,944 | – | 3,659,944 | 634,275 |
| *Pass-through: Cedars-Sinai Medical Center* | 93.855 | 1 R01 AI134714-01A1 | 170 | – | 170 | – |
| *Pass-through: Florida International University* | 93.855 | 1 R01 AI174269 | 187,578 | – | 187,578 | – |
| *Pass-through: University of California, Los Angeles* | 93.855 | 1 R01 AI176249 | 489,760 | – | 489,760 | – |
| *Pass-through: University of California, San Francisco* | 93.855 | 1 U01 AI163090 | 412,421 | – | 412,421 | – |
| *Pass-through: University of Southern California* | 93.855 | 1 R01 AI168088 | 16,895 | – | 16,895 | – |
| *Pass-through: University of Washington* | 93.855 | U01AI163090 | (248,402) | – | (248,402) | – |
| *Pass-through: Boston Medical Center* | 93.855 | K23AI52930 | 52,890 | – | 52,890 | – |
| *Pass-through: University of Cape Town* | 93.855 | R01AI147346 | 1,477 | – | 1,477 | – |
| *Pass-through: Yale University* | 93.855 | R01AI147854 | 3,320 | – | 3,320 | – |
| *Pass-through: University of California, San Francisco* | 93.855 | R01AI153213 | 9,928 | – | 9,928 | – |
| *Pass-through: Albert Einstein College of Medicine* | 93.855 | R01AI45679 | 88,309 | – | 88,309 | – |
| *Pass-through: University of Maryland* | 93.855 | R21AI176009 | 56,321 | – | 56,321 | – |
| *Pass-through: Children's Hospital Boston* | 93.855 | U24AI152179 | 147,883 | – | 147,883 | – |
| *Pass-through: University of California, San Francisco* | 93.855 | R01AI173002 | 296,945 | – | 296,945 | – |
| *Pass-through: Yale University* | 93.855 | R01AI180209 | 284,756 | – | 284,756 | – |
| *Pass-through: Stellenbosch University* | 93.855 | R01AI175235 | 43,999 | – | 43,999 | – |
| Total 93.855 | | | 5,504,194 | – | 5,504,194 | 634,275 |

*See accompanying notes to Schedule of Expenditures of Federal Awards.*

# City of Hope

## Schedule of Expenditures of Federal Awards (continued)

### Year Ended September 30, 2025

| Federal Grantor/Program or Cluster Title/Pass-through Grantor | Assistance Listing Number | Pass-Through Grantor Identifying Number | Research and Development Cluster | Other Expenditures | Total Expenditures | Expenditures to Subrecipients |
|---|---|---|---|---|---|---|
| Biomedical Research and Research Training | 93.859 | | $ 836,763 | $ – | $ 836,763 | $ – |
| *Pass-through: North Carolina State University* | 93.859 | 1 R35 GM150985 | 65,920 | – | 65,920 | – |
| *Pass-through: University of Pittsburgh* | 93.859 | 2 R35 GM128641 | 34,975 | – | 34,975 | – |
| *Pass-through: Virginia Polytechnic Institute and State University* | 93.859 | 1 R01 GM141096 | 40,657 | – | 40,657 | – |
| Total 93.859 | | | 978,315 | – | 978,315 | – |
| Child Health and Human Development Extramural Research | 93.865 | | 130,951 | – | 130,951 | – |
| Aging Research | 93.866 | | 8,155,879 | – | 8,155,879 | 4,569,926 |
| *Pass-through: Johns Hopkins Medical Institutions* | 93.866 | 5 UH3 AG056933-04 | 8,448 | – | 8,448 | – |
| *Pass-through: National Opinion Research Center* | 93.866 | 1 R01 AG043538 | 50,924 | – | 50,924 | – |
| *Pass-through: University of Arizona* | 93.866 | 5 P01 AG052359 | 67,795 | – | 67,795 | – |
| *Pass-through: University of Colorado – Denver* | 93.866 | 1 R01 AG079555 | (8,488) | – | (8,488) | – |
| *Pass-through: University of Southern California* | 93.866 | 5 R01 AG069013 | 37,603 | – | 37,603 | – |
| *Pass-through: Banner Hospital* | 93.866 | P30AG072980 | 129,300 | – | 129,300 | – |
| *Pass-through: Northwestern University* | 93.866 | R01AG067781 | 37,224 | – | 37,224 | – |
| *Pass-through: University of Arizona* | 93.866 | R01AG068098 | 44,713 | – | 44,713 | – |
| *Pass-through: Banner Hospital* | 93.866 | R01AG069453 | 125,395 | – | 125,395 | – |
| *Pass-through: University of Arizona* | 93.866 | R01AG072643 | 288,383 | – | 288,383 | – |
| *Pass-through: University of Florida* | 93.866 | R01AG089050 | 18,184 | – | 18,184 | – |
| *Pass-through: Northwestern University* | 93.866 | R01AG077444 | 141,359 | – | 141,359 | – |
| *Pass-through: Banner Hospital* | 93.866 | R03AG077270 | 6,365 | – | 6,365 | – |
| *Pass-through: California Pacific Medical Center Research Institute* | 93.866 | U19 AG023122 | (18,099) | – | (18,099) | – |
| *Pass-through: University of Arizona* | 93.866 | U19AG065169 | 3,789,539 | – | 3,789,539 | – |
| *Pass-through: Northwestern University* | 93.866 | U19AG073153 | 665,148 | – | 665,148 | – |
| Total 93.866 | | | 13,539,672 | – | 13,539,672 | 4,569,926 |

*See accompanying notes to Schedule of Expenditures of Federal Awards.*

# City of Hope

## Schedule of Expenditures of Federal Awards (continued)

### Year Ended September 30, 2025

| Federal Grantor/Program or Cluster Title/Pass-through Grantor | Assistance Listing Number | Pass-Through Grantor Identifying Number | Research and Development Cluster | Other Expenditures | Total Expenditures | Expenditures to Subrecipients |
|---|---|---|---|---|---|---|
| Medical Library Assistance | 93.879 | | $ 359,644 | $ – | $ 359,644 | $ – |
| National Bioterrorism Hospital Preparedness Program | | | | | | |
| *Pass-through: County of Los Angeles* | 93.889 | H-708531 | – | 27,790 | 27,790 | – |
| **Total U.S. Department of Health and Human Services** | | | **114,648,916** | **98,587** | **114,747,503** | **16,764,290** |
| **Total Expenditures of Federal Awards** | | | **$ 119,538,785** | **$ 103,072** | **$ 119,641,857** | **$ 17,027,851** |

*See accompanying notes to Schedule of Expenditures of Federal Awards.*

# City of Hope

## Notes to Schedule of Expenditures of Federal Awards

Year Ended September 30, 2025

### 1. Summary of Significant Accounting Policies

### Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of City of Hope and is presented on the accrual basis of accounting. The expenditures to subrecipients are included in the SEFA when the disbursement of funds is made to the subrecipients. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the SEFA may differ from amounts presented in, or used in the preparation of, the consolidated financial statements of City of Hope. For purposes of the SEFA, federal awards include any assistance provided by a federal agency, directly, or indirectly, in the form of grants, contracts, cooperative agreements, loan and loan guarantees, or other non-cash assistance. Negative amounts shown in the SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The SEFA does not include payments received under the traditional Medicare and Medicaid reimbursement programs, as these programs are outside the scope of the Uniform Guidance. There were no donated goods and personal protective equipment received from federal sources that required recognition or disclosure in the notes to the SEFA.

### 2. Indirect Costs

City of Hope does not use the 15 percent de minimis indirect cost rate provided for in the Uniform Guidance.

# Schedule Required by the Uniform Guidance

City of Hope

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2025

**Section I – Summary of Auditor's Results**

**Financial Statements**

| | | |
|---|---|---|
| Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified | |
| Internal control over financial reporting: | | |
| Material weakness(es) identified? | **Yes** | X **No** |
| Significant deficiency(ies) identified? | **Yes** | X **None reported** |
| Noncompliance material to financial statements noted? | **Yes** | X **No** |

**Federal Awards**

| | | |
|---|---|---|
| Internal control over major federal program: | | |
| Material weakness(es) identified? | **Yes** | X **No** |
| Significant deficiency(ies) identified? | **Yes** | X **None reported** |
| Type of auditor's report issued on compliance for major federal program: | Unmodified | |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | **Yes** | X **No** |

City of Hope

Schedule of Findings and Questioned Costs (continued)

For the Year Ended September 30, 2025

**Section I – Summary of Auditor's Results (continued)**

Identification of major federal program:

| **Assistance Listing Numbers** | **Name of Federal Program or Cluster** |
|---|---|
| 10.001, 10.025, 12.420, 12.910, 47.041, 47.074, 47.083, 93.084, 93.103, 93.113, 93.121, 93.143, 93.172, 93.173, 93.226, 93.242, 93.273, 93.279, 93.286, 93.307, 93.310, 93.353, 93.383, 93.393, 93.394, 93.395, 93.396, 93.397, 93.398, 93.399, 93.837, 93.838, 93.839, 93.846, 93.847, 93.853, 93.855, 93.859, 93.865, 93.866, 93.879 | Research and Development Cluster |

| | |
|---|---|
| Dollar threshold used to distinguish between Type A and Type B programs: | $ 3,000,000 |
| Auditee qualified as low-risk auditee? | X **Yes** ____ **No** |

**Section II – Financial Statement Findings**

No matters were reported.

**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.

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# Summary Schedule of Prior Audit Findings
# For the Year Ended September 30, 2025

**Federal Award Findings and Questioned Costs**

In response to the fiscal year 2023 Uniform Guidance audit findings on Period of Performance and Procurement, City of Hope (COH) concurred with the findings and the corrective actions were taken:

**Finding 2023-001**

Internal control deficiency and noncompliance over Period of Performance.

***Auditee Status Update:***

1. **Action item: Research Accounting will present finding and revisit guidelines on period of performance requirements with Research and Post Award Accounting personnel.**

   The Director of Research Accounting presented the audit finding and guidelines on period of performance to Research and Post Award Accounting personnel August 20 – 29, 2024. Personnel were instructed to allow only expenses that were incurred during the period of performance and paid prior to the liquidation period. The presentation material is available on the COH intranet.

2. **Action item: COH will refund the identified questioned costs.**

   COH refunded NIH $37,053.07 via a payment to PMS on July 25, 2024. The invoice that included the questioned cost of $5,227.00 had a total cost of $21,052.88. The refund amount was for the total invoice plus $16,000.19 of indirect costs (at 76% of the invoice amount).

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# Summary Schedule of Prior Audit Findings
# For the Year Ended September 30, 2025 (continued)

**Federal Award Findings and Questioned Costs (continued)**

**Finding 2023-002**

Internal control deficiency and noncompliance over Procurement.

***Auditee Status Update:***

1. **Action item: Management provided training to reinforce current policy requirements to Research, Accounting and Procurement personnel to emphasize procurement guidelines prior to requisition submission. Training was completed on September 7 and 15, 2023.**

   Training on the federal procurement standards and required support documentation was provided to Procurement and Research Operations personnel on September 7 and 15, 2023, respectively. Recordings of these training sessions are available on the COH intranet.

2. **Action item: Accounting reviewed sample size of federally funded procurement to ensure controls have been remediated.**

   Accounting reviewed purchase orders executed between October 1, 2023 and September 26, 2024 with totals over the micro-purchase threshold for compliance. All reviewed purchase orders were compliant.

3. **Action item: Accounting will review the items identified as questioned costs to identify if any improper payments were made to COH.**

   Accounting reviewed each of the questioned costs. Based on the review of signed justifications for vendor selections, COH determined that the questioned costs were reasonable and payments to COH were appropriate. Justifications of each questioned cost were provided by the Principal Investigator of the award that had incurred the charge and were reviewed by the VP of Sourcing and Procurement.