

This document is dated as of September 11, 2017

SPECIAL NOTE CONCERNING FORWARD-LOOKING STATEMENTS. Certain of the discussions included in the following document may include certain “forward-looking statements” which involve known and unknown risks and uncertainties inherent in the operation of healthcare facilities. Actual actions or results may differ materially from those discussed below. Specific factors that might cause such differences include competition from other healthcare facilities in the service area of Dana-Farber Cancer Institute, federal and state regulations of healthcare providers, and reimbursement policies of the state and federal governments and managed care organizations. In particular, statements preceded by, followed by or that include the words “believes,” “estimates,” “expects,” “anticipates,” “plans,” “intends,” “scheduled” or other similar expressions are or may constitute forward-looking statements.

MANAGEMENT’S DISCUSSION AND ANALYSIS

DANA-FARBER CANCER INSTITUTE, INC. AND SUBSIDIARIES*
Third Quarter Ended June 30, 2017

Laurie H. Glimcher M.D., President and Chief Executive Officer
Dorothy E. Puhy, Executive Vice President and Chief Operating Officer
Michael L. Reney, Senior Vice President and Chief Financial Officer

***Dana-Farber Cancer Institute, Inc. is the parent corporation of Dana-Farber, Inc., Dana-Farber Trust, Inc. and Dana-Farber Cancer Care Network, Inc. Results for the quarter ended June 30, 2017 are presented on a condensed, consolidated basis.**
The Obligated Group is Dana-Farber Cancer Institute, Inc. and Dana-Farber, Inc.

Dana-Farber Cancer Institute, Inc. and Subsidiaries
Management's Discussion and Analysis of Financial Condition
and Operating Results

Third Quarter Ended June 30, 2017

For the first nine months of fiscal year ("FY") 2017, Dana-Farber Cancer Institute, Inc. (DFCI) recorded an excess of revenues over expenses of \$9.6 million, compared to \$13.3 million for the first nine months of FY 2016. Income from operations was (\$34.9) million, compared to \$21.4 million for the first nine months of FY 2016. The decline in operating income reflects the addition of the Longwood Center fixed costs combined with costs associated with the review (see "Other Developments" below) by the U.S. Centers for Medicare and Medicaid Services ("CMS"), unfavorable trends in payer mix and the write-off of certain prior year patient accounts resulting from the 2015 implementation of a new electronic medical record and revenue cycle system.

Total operating revenue for the first nine months of FY 2017 was \$1.1 billion, an increase of \$88.9 million, or 8.6%, over the same period in FY 2016. Patient care revenue grew by \$42.1 million, or 6.2% over the same period in FY 2016. Management attributes this increase largely to growth in patient volume and pharmacy offset by an increase in the mix of Medicare patients and a change in estimate related to the collectability of certain prior year patient accounts. Research revenues have increased by \$44.1 million, or 15.8%, over the same period in FY 2016. Management attributes this increase to increases in funding from federal grants and commercial agreements plus additional use of gifts and royalty funds. Unrestricted gifts increased by \$0.3 million, or less than 1.0% over the same period in FY 2016. Operating expenses increased to \$1.1 billion, an increase of \$145.1 million, or 14.4% over the same period in FY 2016. Direct patient care expenses increased by \$66.8 million or 14.7% due to growth in patient volume and pharmacy. General, administrative and plant expenses increased by \$15.8 million, or 6.6% which is largely related to consulting and legal costs related to the CMS review. Depreciation expense increased by \$11.5 million, or 17.8% and interest expense increased by \$10.4 million, or 140.4% compared to the prior fiscal year. Management attributes the increase in interest expense to the issuance of the Series N debt as well as the conversion of the Longwood Research Space lease from operating to capital lease treatment. For a discussion of the accounting treatment of the Longwood Research Space Lease, see DFCI's Fourth Quarter Ended 9/30/16 (Unaudited) Report under the heading "Management's Discussion and Analysis of Financial Condition and Operating Results" on file at emma.msrb.org.

Unrestricted investment returns for the first nine months of FY 2017 were \$32.3 million compared to \$10.8 million through the first nine months of FY 2016. Investment returns

include investment income and realized and unrealized gains or losses. DFCI's interest rate swap agreements increased in value by \$15.9 million as compared to a decrease of \$14.8 million over the same period in FY 2016.

DFCI's total assets increased \$361.1 million, or 15.6%, to \$2.7 billion compared to the third quarter in FY 2016. Management attributes this increase to the conversion of the Longwood Research Space lease from operating to capital lease treatment, monetization of a royalty stream that occurred in July 2016 and that is being recorded as deferred revenue over a five-year period and strong investment returns. Compared with the third quarter of FY 2016, unrestricted net assets increased \$39.1 million, or 6.1%, to \$678.2 million. Temporarily restricted net assets increased \$51.9 million, or 9.9%, to \$578.0 million. Permanently restricted net assets increased \$7.6 million, or 4.1%, to \$192.8 million.

Cash and investments increased by \$233.7 million, or 22.5%, compared to the third quarter in FY 2016. For the nine month period ended June 30, 2017, the endowment's investments experienced a return of 8.8%. Days cash on hand increased by 33 days to 227 days compared to the third quarter of FY 2016. Management attributes this increase to positive investment returns and monetization of a royalty stream, which occurred in July 2016 and resulted in an increase in cash of \$100 million.

Net patient accounts receivable have decreased to \$95.6 million from \$119.1 million compared to the third quarter of FY 2016 primarily due to the write-off of certain prior year patient accounts resulting from the 2015 implementation of a new electronic medical record and revenue cycle system. Cash collections have also increased. Days in accounts receivable decreased to 37 days as compared to 46 days in the third quarter of FY 2016.

Assets whose use is limited, current portion, increased by \$209.2 million compared to the third quarter of FY 2016 as a result of moving the Series N Bond financing proceeds into current assets. The proceeds from the Series N financing were used to purchase the Longwood Research Space in July 2017.

Property, plant and equipment increased by \$150.4 million compared to the third quarter of FY 2016 as a result of the Institute's exercise of its option to purchase the Longwood Research Space.

There was a decrease in the amounts due to third-party payors compared to the third quarter of FY 2016 as a result of settlements with certain payors as well as changes in estimates.

Research advances have increased to \$89.4 million from \$62.1 million compared to the third quarter of FY 2016 primarily due to growth in clinical trials and commercial agreements.

Long-term debt was \$774.5 million at the end of the third quarter of FY 2017, compared to \$621.2 million at the end of the third quarter of FY 2016. This \$153.3 million increase was the result of the conversion of the Longwood Research Space lease to a capital lease.

Other liabilities increased by \$60.1 million compared to the third quarter of FY 2016 primarily due to the proceeds from the royalty monetization which are recorded as deferred revenue. This increase was partially offset by an increase in the swap valuation.

DFCI is a non-controlling member of a special purpose entity that has made joint and several guarantees of up to \$41 million.

Other Developments: The U.S. Centers for Medicare and Medicaid Services (“CMS”) and the Massachusetts Department of Public Health (“MA DPH”) have accepted DFCI's Plan of Correction related to a Statement of Deficiencies issued by CMS. On June 12, 2017 CMS notified DFCI that DFCI was in full compliance with the Medicare conditions of participation and that the termination date from the Medicare program was rescinded.

Longwood Center: On July 6, 2017, DFCI purchased approximately 203,000 rentable square feet of space, it previously leased at 360 Longwood Avenue in Boston for research purposes. This purchase was partially financed by Massachusetts Development Finance Agency Revenue Bonds, Dana-Farber Cancer Institute Issue Series N (2016) for a par amount of \$233,295,000 on June 23, 2016.

DANA-FARBER CANCER INSTITUTE, INC. AND SUBSIDIARIES
Consolidated Balance Sheets

	As Of June 30		As Of September 30	
	2017	2016	2016	2015
(Dollars in thousands)				
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 137,502	\$ 49,213	\$ 136,127	\$ 29,389
Patient accounts receivable, net	95,584	119,058	113,877	99,513
Contributions receivable, current portion	5,933	4,734	16,325	22,910
Assets whose use is limited, current portion	222,407	13,207	245,318	5,146
Research receivables	33,247	27,815	22,144	26,845
Prepaid expenses and other current assets	65,486	54,760	54,530	46,432
Total Current Assets	560,159	268,787	588,321	230,235
Investments	1,134,287	988,834	1,034,466	950,994
Assets whose use is limited by indenture agreement or other, less current portion	12,808	253,726	12,703	12,666
Property, plant and equipment, net	894,475	744,040	923,299	748,560
Contributions receivable, less current portion	31,623	44,179	28,824	40,469
Other assets	48,902	21,589	48,262	21,305
TOTAL ASSETS	\$ 2,682,254	\$ 2,321,155	\$ 2,635,875	\$ 2,004,229
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued expenses	\$ 133,503	\$ 111,054	\$ 144,608	\$ 145,986
Amounts due to third party payors	48,561	54,464	43,044	60,045
Research advances	89,425	62,066	62,045	50,566
Current portion of long-term debt	9,459	4,243	14,722	5,458
Total Current Liabilities	280,948	231,827	264,419	262,055
Other Liabilities				
Long-term debt, less current portion	774,471	621,166	782,064	345,769
Other Liabilities	177,826	117,707	195,819	91,946
	952,297	738,873	977,883	437,715
Net Assets				
Unrestricted	678,171	639,083	668,285	612,732
Temporarily restricted	578,021	526,166	540,317	516,907
Permanently restricted	192,817	185,206	184,971	174,820
Total Net Assets	1,449,009	1,350,455	1,393,573	1,304,459
TOTAL LIABILITIES AND NET ASSETS	\$ 2,682,254	\$ 2,321,155	\$ 2,635,875	\$ 2,004,229

June 2016 early adoption of Accounting Standard Update 2015-03 (ASU). Bond issuance costs reclassified to long-term debt, less current portion from other assets on a comparative basis including second quarter FY16.

DANA-FARBER CANCER INSTITUTE, INC. AND SUBSIDIARIES
Consolidated Statement of Operations and Changes in Net Assets

	Quarter Ended June 30		Nine Months Ended June 30		Year Ended September 30	
(Dollars in thousands)	2017	2016	2017	2016	2016	2015
Operating revenues:						
Patient service revenue, net of contractual allowances and discounts	\$ 238,552	\$ 241,131	\$ 729,934	\$ 688,087	\$ 938,141	\$ 780,826
Provision for bad debts	3,327	3,555	8,820	9,100	12,813	7,604
Net Patient service revenues, less provision for bad debts	235,225	237,576	721,114	678,987	925,328	773,222
Research revenues	110,176	98,669	322,509	278,394	386,793	357,625
Unrestricted contributions and bequests	5,405	6,311	57,018	56,734	73,276	69,398
Other operating revenues	5,402	5,063	18,225	15,877	21,130	20,941
Total operating revenues	356,208	347,619	1,118,866	1,029,992	1,406,527	1,221,186
Operating expenses:						
Direct research	94,662	86,807	281,385	240,843	337,901	310,721
Direct patient care	184,498	160,251	522,526	455,681	624,564	512,950
General, administrative and plant	88,955	82,431	255,820	240,029	310,624	295,006
Depreciation and amortization	26,379	21,539	76,138	64,614	88,060	72,492
Interest	5,938	2,543	17,866	7,433	15,656	8,018
Total operating expenses	400,432	353,571	1,153,735	1,008,600	1,376,805	1,199,187
Operating income	(44,224)	(5,952)	(34,869)	21,392	29,722	21,999
Investment gains, net	11,502	3,715	32,290	10,805	26,280	(7,345)
Interest rate swap agreement:						
Net interest paid	(1,176)	(1,330)	(3,703)	(4,040)	(5,354)	(5,593)
Change in fair value	(1,796)	(6,678)	15,923	(14,843)	(13,836)	(11,238)
Other	-	-	-	-	-	(248)
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	(35,694)	(10,245)	9,641	13,314	36,812	(2,425)
Other Changes in Net Assets:						
Net unrealized gains (losses) on endowment	-	20	-	90	170	(168)
Net assets released from restriction for capital	-	1,582	-	12,944	20,948	13,889
Pension adjustment	-	-	-	-	(2,380)	(5,427)
Other	247	-	247	-	3	-
Increase in unrestricted net assets	(35,447)	(8,643)	9,888	26,348	55,553	5,869
Increase (decrease) in temporarily restricted net assets	13,676	1,214	37,702	9,262	23,410	(21,163)
Increase in permanently restricted net assets	879	3,634	7,846	10,386	10,151	7,603
Increase (decrease) in Net Assets	(20,892)	(3,795)	55,436	45,996	89,114	(7,691)
Net Assets at Beginning of Period	1,469,901	1,354,250	1,393,573	1,304,459	1,304,459	1,312,150
NET ASSETS AT END OF PERIOD	\$ 1,449,009	\$ 1,350,455	\$ 1,449,009	\$ 1,350,455	\$ 1,393,573	\$ 1,304,459

DANA-FARBER CANCER INSTITUTE, INC.

Asset Allocation Summary	As Of June 30		As Of September 30	
	2017	2016	2016	2015
(Dollars in Thousands)				
U.S. Government Money Market Fund	\$ 5,859	\$ 2,008	\$ 3,864	\$ 8,671
U.S. Government Securities	81,334	70,063	70,172	68,398
U.S. Equity Securities	88,689	62,231	63,704	64,387
U.S. Equity Mutual Funds	131,012	120,391	115,556	108,862
International Equity Securities	74,451	50,531	52,303	48,520
International Equity Mutual Funds	195,079	152,955	161,929	126,733
Alternative Investments*	557,863	530,655	566,938	525,423
Total	\$1,134,287	\$988,834	\$ 1,034,466	\$950,994

* Alternative investments include investments in private equity funds, partnerships, limited liability companies and other funds, which generally have reduced liquidity.

Investment Performance Summary	As Of June 30		As Of September 30	
	2017	2016	2016	2015
Dana-Farber Portfolio	8.8%	3.8%	8.4%	-2.0%
Investment Committee Custom Benchmark*	7.4%	2.7%	6.3%	-2.0%
S&P 500	13.5%	11.1%	15.4%	-0.6%

* The custom benchmark is a weighted index return developed for the Institute at the request of the Investment Committee assuming Committee-determined target percentages in the different asset classes (e.g., U.S. equity, non-U.S. equity, fixed income, etc.) and the index return used for each asset class is a broad market benchmark selected by the Committee, (e.g. S&P 500 for U.S. Equities). The exact composition of the custom benchmark shifts over time as the Committee revises the target allocation percentages and selects different benchmarks for each asset class. It was adjusted in January 2015 and January 2016.

DANA-FARBER CANCER INSTITUTE, INC.
Capitalization for the Obligated Group

	As Of June 30		As Of September 30	
(Dollars in Thousands)	2017	2016	2016	2015
Long-Term Debt				
Series K Bonds	\$ 79,242	\$ 83,198	\$ 83,145	\$ 86,942
Series L Bonds	184,025	183,992	184,000	183,967
Series M Bonds	50,253	50,199	50,213	50,160
Series N Bonds	277,713	279,262	278,805	-
South Shore lease obligation	18,966	20,166	19,819	21,182
Milford lease obligation	8,059	8,592	8,461	8,976
Longwood Center lease obligation	165,674	-	172,343	-
Total Long-Term Debt	783,932	625,409	796,786	351,227
Unrestricted Net Assets	698,273	651,786	682,684	620,619
Total Capitalization	\$ 1,482,205	\$ 1,277,195	\$ 1,479,470	\$ 971,846
Total Long-Term Debt as a Percent of Total Capitalization	52.9%	49.0%	53.9%	36.1%

The increase in the Long-Term Debt as a Percent of Total Capitalization is the result of the Series N bond financing as well as the conversion of the Longwood Research Space lease to a capital lease.

DANA-FARBER CANCER INSTITUTE, INC.

Days Cash on Hand for the Obligated Group (Dollars in Thousands)	As Of		As Of	
	June 30		September 30	
	2017	2016	2016	2015
Total Unrestricted Cash Position ¹	\$ 871,865	\$ 642,754	\$ 769,101	\$ 612,918
Average Daily Expenses ²	3,834	3,319	3,403	2,975
Days Cash On-Hand	227	194	226	206

¹ Unrestricted cash equivalents and marketable securities plus an amount equal to 200% of the donor restricted research funds that have been released from restriction and used for operating expenses during the relevant calculation period, plus temporarily restricted cash and marketable securities that are available for current use but excluding certain items permitted to be excluded under the Master Trust Indenture.

² Total operating expenses less extraordinary items, infrequently occurring items or unusual items and the cumulative effect of changes in accounting principles, depreciation and amortization and other non-cash charges divided by the number of days in the period.

Actual and Maximum Debt Service for the Obligated Group (Dollars in Thousands)	Year Ended		Year Ended	
	June 30		September 30	
	2017	2016	2016	2015
Income Available for Debt Service	120,658	122,148	144,735	123,425
Actual Historical Annual Debt Service	47,669	20,398	30,844	18,807
Actual Historical Debt Service Coverage Ratio	2.53	5.99	4.69	6.56
Income Available for Debt Service	120,658	122,148	144,735	123,425
Pro Forma Maximum Annual Debt Service ¹	51,632	35,563	51,372	24,470
Pro Forma Maximum Debt Service Coverage Ratio	2.34	3.43	2.82	5.04

The increase in both the historical and maximum annual debt service is the result of the Series N bond financing as well as the conversion of the Longwood Research Space lease to a capital lease.

¹ Maximum Annual Debt Service represents the highest total debt service on all long-term indebtedness which is projected to occur in the fiscal year ending 9/30/2027. The debt service requirement for \$150,000 of long-term indebtedness which is covered by interest rate swap agreements is calculated in accordance with the terms of Master Trust Indenture. The Assumed Rate used to calculate debt service for the Series L variable rate bonds is 1.28% and 1.09% for September 30, 2016 and 2015 and 1.5% and 1.23% for June 30, 2017 and 2016, respectively. The Assumed Rate used to calculate debt service for the variable rate capital lease which expires in 2030 is 3.04% and 3.40% for September 30, 2016 and 2015 and 1.71% and 3.32% for June 30, 2017 and 2016, respectively.

DANA-FARBER CANCER INSTITUTE, INC.
Operational Statistics for the Obligated Group

	Quarter Ended June 30		Nine Months Ended June 30		Year Ended September 30	
	2017	2016	2017	2016	2016	2015
OUTPATIENT STATISTICS						
MD Clinic visits ⁽¹⁾	84,816	81,960	245,525	240,383	321,900	309,750
Infusion visits ⁽¹⁾	41,822	40,689	124,270	122,596	157,533	149,413
ANCILLARY STATISTICS						
(units of service)						
Laboratories	335,261	296,628	903,231	841,370	1,134,298	1,069,448
Blood Bank	17,121	20,038	50,867	47,356	64,431	56,896
Pharmacy ⁽¹⁾⁽²⁾	97,460,249	82,215,291	276,893,523	235,097,088	320,947,215	241,663,006
PET Scans	861	1,155	2,841	3,249	4,347	3,892
Diagnostic Radiology	4,878	3,171	13,676	9,141	12,110	12,202
Ultrasound	390	291	1,020	878	1,164	1,149
Nuclear Medicine	684	614	2,032	1,607	2,300	2,094
MRI	2,089	2,167	5,945	6,113	8,211	7,137
CT Scans	7,791	7,807	22,567	22,700	30,399	28,435
Radiation Therapy	9,405	10,923	28,625	32,001	42,160	39,235
Respiratory Therapy/EKG (Treatments)	5,370	5,538	15,664	18,107	23,357	24,687
INPATIENT STATISTICS						
Licensed Beds	30	30	30	30	30	30
Total Admissions	235	316	794	954	1,270	1,251
ALOS	11.24	7.75	9.57	7.97	7.80	7.66
Total Patient Days	2,641	2,449	7,596	7,600	9,912	10,065
Occupancy Rate	96.7%	88.7%	92.7%	92.5%	90.3%	91.9%

Source: Institute Records

¹ Includes results of DFCCN

² Cost of drugs administered

DANA-FARBER CANCER INSTITUTE, INC.
Operational Statistics for the Obligated Group

Percentage Gross Revenues	Quarter Ended June 30			
	Inpatient		Outpatient	
	2017	2016	2017	2016
Medicare	36%	27%	41%	37%
Medicaid	8%	9%	7%	8%
Other	33%	32%	27%	31%
Blue Cross	21%	28%	23%	23%
Self-Pay	2%	4%	2%	1%
Total	100%	100%	100%	100%

Nine Months Ended June 30				
Percentage Gross Revenues	Inpatient		Outpatient	
	2017	2016	2017	2016
Medicare	30%	30%	40%	37%
Medicaid	10%	11%	7%	8%
Other	36%	32%	29%	30%
Blue Cross	22%	25%	23%	23%
Self-Pay	2%	2%	1%	2%
Total	100%	100%	100%	100%

Percentage Gross Revenues	Year Ended September 30			
	Inpatient		Outpatient	
	2016	2015	2016	2015
Medicare	30%	33%	37%	37%
Medicaid	11%	11%	8%	6%
Other	32%	32%	30%	32%
Blue Cross	26%	23%	23%	24%
Self-Pay	1%	1%	2%	1%
Total	100%	100%	100%	100%

DANA-FARBER CANCER INSTITUTE, INC. AND SUBSIDIARIES
Fund-Raising Contributions

(Dollars in thousands)	Quarter Ended		Nine Months Ended		Year Ended	
	June 30		June 30		September 30	
	2017	2016	2017	2016	2016	2015
Fundraising Contributions						
Unrestricted contributions and bequests	\$ 5,405	\$ 6,311	\$ 57,018	\$ 56,734	\$ 73,276	\$ 69,398
Gifts for current use	1,505	1,229	6,452	5,646	7,711	8,183
Temporarily restricted	17,479	17,065	67,422	62,816	83,365	87,503
Permanently restricted	780	3,634	9,647	10,386	10,151	7,603
Subtotal	25,169	28,239	140,539	135,582	174,503	172,687
Non-government Grants	14,059	4,372	29,556	23,214	39,132	37,019
Total Fundraising Contributions	\$ 39,228	\$ 32,611	\$ 170,095	\$ 158,796	\$ 213,635	\$ 209,706
Direct Fundraising Expenses	\$ 6,962	\$ 6,611	\$ 21,320	\$ 20,029	\$ 28,459	\$ 25,166
Direct Fundraising Expenses as Percent of Total Fundraising Contributions	18%	20%	13%	13%	13%	12%

Notes Unrestricted contributions and restricted contributions, used on a current basis, are recorded as operating revenues. Other restricted contributions are recorded as additions to temporarily restricted or permanently restricted assets. Contributions above include those received and pledged. Contributions pledged are reported at net present value.

Supplementary Information

See Annual Report filings for comparative annual consolidating financial statements contained in the Supplementary Information section of Audited Financial Statements. Restated annual consolidated financial statements presented in this current filing have been updated from what was presented in the Annual Report for ASU 2015-03 which reclassifies bond issuance costs from other assets to long-term debt, less current portion.

DANA-FARBER CANCER INSTITUTE, INC. AND SUBSIDIARIES
Consolidating Balance Sheets

As Of June 30, 2017

	Obligated Group	Dana-Farber Cancer Care Network, Inc.	Eliminations and Reclassifications	Consolidated
(Dollars in thousands)				
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 136,938	\$ 564		\$ 137,502
Patient accounts receivable, net	93,075	2,509		95,584
Contributions receivable, current portion	5,933			5,933
Assets whose use is limited, current portion	222,407			222,407
Research receivables	33,247			33,247
Prepaid expenses and other current assets	89,670	1,031	\$ (25,215)	65,486
Total Current Assets	581,270	4,104	(25,215)	560,159
Investments	1,134,287			1,134,287
Assets whose use is limited by indenture agreement or other, less current portion	12,808			12,808
Property, plant and equipment, net	892,912	1,563		894,475
Contributions receivable, less current portion	31,623			31,623
Other assets	48,902			48,902
TOTAL ASSETS	\$2,701,802	\$ 5,667	\$ (25,215)	\$ 2,682,254
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued expenses	\$ 133,099	\$ 25,619	\$ (25,215)	\$ 133,503
Amounts due to third party payors	48,561			48,561
Research advances	89,425			89,425
Current portion of long-term debt	9,459			9,459
Total Current Liabilities	280,544	25,619	(25,215)	280,948
Other Liabilities				
Long-term debt, less current portion	774,471			774,471
Other Liabilities	177,826			177,826
	952,297	-	-	952,297
Net Assets				
Unrestricted	698,273	(20,102)		678,171
Temporarily restricted	577,871	150		578,021
Permanently restricted	192,817			192,817
Total Net Assets	1,468,961	(19,952)	-	1,449,009
TOTAL LIABILITIES AND NET ASSETS	\$2,701,802	\$ 5,667	\$ (25,215)	\$ 2,682,254

DANA-FARBER CANCER INSTITUTE, INC. AND SUBSIDIARIES
Consolidating Statement of Operations and Changes in Net Assets

Nine Months Ended June 30, 2017

	Obligated Group	Dana-Farber Cancer Care Network, Inc.	Eliminations and Reclassifications	Consolidated
(Dollars in thousands)				
Operating revenues:				
Patient service revenues, net of contractual allowances and discounts	\$ 704,334	\$ 25,600		\$ 729,934
Provision for bad debts	8,820			8,820
Net patient service revenue, less provision for bad debts	695,514	25,600	-	721,114
Research revenues	322,503	6		322,509
Unrestricted contributions and bequests	57,018			57,018
Other operating revenues	18,225			18,225
Total operating revenues	1,093,260	25,606	-	1,118,866
Operating expenses:				
Direct research	281,379	6		281,385
Direct patient care	493,797	28,729		522,526
General, administrative and plant	253,632	2,188		255,820
Depreciation and amortization	75,755	383		76,138
Interest	17,866			17,866
Total operating expenses	1,122,429	31,306	-	1,153,735
Operating income	(29,169)	(5,700)	-	(34,869)
Investment gains (losses), net	32,290			32,290
Interest rate swap agreement:				
Net interest paid	(3,703)			(3,703)
Change in fair value	15,923			15,923
Other				
EXCESS OF REVENUES OVER EXPENSES	15,341	(5,700)	-	9,641
Other Changes in Net Assets:				
Net unrealized gain/(loss) on endowment	-			-
Net assets released from restriction for capital	-			-
Pension adjustment				-
Other	247			247
Increase in unrestricted net assets	15,588	(5,700)	-	9,888
Increase in temporarily restricted net assets	37,697	5		37,702
Increase in permanently restricted net assets	7,846			7,846
Increase in Net Assets	61,131	(5,695)	-	55,436
Net Assets at Beginning of Period	1,407,830	(14,257)		1,393,573
NET ASSETS AT END OF PERIOD	\$ 1,468,961	\$ (19,952)	-	\$ 1,449,009

DANA-FARBER CANCER INSTITUTE, INC. AND SUBSIDIARIES
Consolidating Statement of Operations and Changes in Net Assets

Quarter Ended June 30, 2017

	Obligated Group	Dana-Farber Cancer Care Network, Inc.	Eliminations and Reclassifications	Consolidated
(Dollars in thousands)				
Operating revenues:				
Patient service revenues, net of contractual allowances and discounts	\$ 230,513	\$ 8,039		\$ 238,552
Provision for bad debts	3,327	-		3,327
Net patient service revenue, less provision for bad debts	227,186	8,039	-	235,225
Research revenues	110,175	1		110,176
Unrestricted contributions and bequests	5,405			5,405
Other operating revenues	5,402			5,402
Total operating revenues	348,168	8,040	-	356,208
Operating expenses:				
Direct research	94,661	1		94,662
Direct patient care	175,089	9,409		184,498
General, administrative and plant	88,196	759		88,955
Depreciation and amortization	26,252	127		26,379
Interest	5,938			5,938
Total operating expenses	390,136	10,296	-	400,432
Operating income	(41,968)	(2,256)	-	(44,224)
Investment gains (losses), net	11,502			11,502
Interest rate swap agreement:				
Net interest paid	(1,176)			(1,176)
Change in fair value	(1,796)			(1,796)
Other				
EXCESS OF REVENUES OVER EXPENSES	(33,438)	(2,256)	-	(35,694)
Other Changes in Net Assets:				
Net unrealized gain/(loss) on endowment	-			-
Net assets released from restriction for capital	-			-
Pension adjustment	-			-
Other	247			247
Increase in unrestricted net assets	(33,191)	(2,256)	-	(35,447)
Increase in temporarily restricted net assets	13,677	(1)		13,676
Increase in permanently restricted net assets	879			879
Increase in Net Assets	(18,635)	(2,257)	-	(20,892)
Net Assets at Beginning of Period	1,487,596	(17,695)		1,469,901
NET ASSETS AT END OF PERIOD	\$ 1,468,961	\$ (19,952)	-	\$ 1,449,009

DANA-FARBER CANCER INSTITUTE, INC. AND SUBSIDIARIES
Consolidating Balance Sheet

As Of June 30, 2016

	Obligated Group	Dana-Farber Cancer Care Network, Inc.	Eliminations and Reclassifications	Consolidated
(Dollars in thousands)				
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 49,168	\$ 45		\$ 49,213
Patient accounts receivable, net	115,158	3,900		119,058
Contributions receivable, less current portion	4,734			4,734
Assets whose use is limited, current portion	13,207			13,207
Research receivables	27,815			27,815
Prepaid expenses and other current assets	72,751	509	\$ (18,500)	54,760
Total Current Assets	282,833	4,454	(18,500)	268,787
Investments	988,834			988,834
Assets whose use is limited by indenture agreement or other, less current portion	253,726			253,726
Property, plant and equipment, net	742,014	2,026		744,040
Contributions receivable, less current portion	44,179			44,179
Other assets	21,589			21,589
TOTAL ASSETS	\$2,333,175	\$ 6,480	\$ (18,500)	\$ 2,321,155
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued expenses	\$ 110,491	\$ 19,063	\$ (18,500)	\$ 111,054
Amounts due to third party payors	54,464			54,464
Research advances	62,066			62,066
Current portion of long-term debt	4,243			4,243
Total Current Liabilities	231,264	19,063	(18,500)	231,827
Other Liabilities				
Long-term debt, less current portion	621,166			621,166
Other Liabilities	117,707			117,707
	738,873	-	-	738,873
Net Assets				
Unrestricted	651,786	(12,703)		639,083
Temporarily restricted	526,046	120		526,166
Permanently restricted	185,206			185,206
Total Net Assets	1,363,038	(12,583)	-	1,350,455
TOTAL LIABILITIES AND NET ASSETS	\$2,333,175	\$ 6,480	\$ (18,500)	\$ 2,321,155

DANA-FARBER CANCER INSTITUTE, INC. AND SUBSIDIARIES
Consolidating Statement of Operations and Changes in Net Assets

Nine Months Ended June 30, 2016

(Dollars in thousands)

	Obligated Group	Dana-Farber Cancer Care Network, Inc.	Eliminations and Reclassifications	Consolidated
Operating revenues:				
Patient service revenues, net of contractual allowances and discounts	\$ 657,851	\$ 30,236		\$ 688,087
Provision for bad debts	9,100			9,100
Net patient service revenue, less provision for bad debts	648,751	30,236	-	678,987
Research revenues	278,390	4		278,394
Unrestricted contributions and bequests	56,734			56,734
Other operating revenues	15,877			15,877
Total operating revenues	999,752	30,240	-	1,029,992
Operating expenses:				
Direct research	240,839	4		240,843
Direct patient care	423,523	32,158		455,681
General, administrative and plant	237,500	2,529		240,029
Depreciation and amortization	64,246	368		64,614
Interest	7,433			7,433
Total operating expenses	973,541	35,059	-	1,008,600
Operating income	26,211	(4,819)	-	21,392
Investment gains (losses), net	10,805			10,805
Interest rate swap agreement:				
Net interest paid	(4,040)			(4,040)
Change in fair value	(14,843)			(14,843)
Other				
EXCESS OF REVENUES OVER EXPENSES	18,133	(4,819)	-	13,314
Other Changes in Net Assets:				
Net unrealized gain/(loss) on endowment	90			90
Net assets released from restriction for capital	12,944			12,944
Pension adjustment				-
Other				-
Increase in unrestricted net assets	31,167	(4,819)	-	26,348
Increase in temporarily restricted net assets	9,142	120		9,262
Increase in permanently restricted net assets	10,386			10,386
Increase in Net Assets	50,695	(4,699)	-	45,996
Net Assets at Beginning of Period	1,312,343	(7,884)		1,304,459
NET ASSETS AT END OF PERIOD	\$ 1,363,038	\$ (12,583)	-	\$ 1,350,455

DANA-FARBER CANCER INSTITUTE, INC. AND SUBSIDIARIES
Consolidating Statement of Operations and Changes in Net Assets

Quarter Ended June 30, 2016

(Dollars in thousands)

	Obligated Group	Dana-Farber Cancer Care Network, Inc.	Eliminations and Reclassifications	Consolidated
Operating revenues:				
Patient service revenues, net of contractual allowances and discounts	\$ 230,963	\$ 10,168		\$ 241,131
Provision for bad debts	3,555			3,555
Net patient service revenue, less provision for bad debts	227,408	10,168	-	237,576
Research revenues	98,668	1		98,669
Unrestricted contributions and bequests	6,311			6,311
Other operating revenues	5,063			5,063
Total operating revenues	337,450	10,169	-	347,619
Operating expenses:				
Direct research	86,806	1		86,807
Direct patient care	149,290	10,961		160,251
General, administrative and plant	81,587	844		82,431
Depreciation and amortization	21,415	124		21,539
Interest	2,543			2,543
Total operating expenses	341,641	11,930	-	353,571
Operating income	(4,191)	(1,761)	-	(5,952)
Investment gains (losses), net	3,715			3,715
Interest rate swap agreement:				
Net interest paid	(1,330)			(1,330)
Change in fair value	(6,678)			(6,678)
Other				
EXCESS OF REVENUES OVER EXPENSES	(8,484)	(1,761)	-	(10,245)
Other Changes in Net Assets:				
Net unrealized gain/(loss) on endowment	20			20
Net assets released from restriction for capital	1,582			1,582
Pension adjustment				-
Other				-
Increase in unrestricted net assets	(6,882)	(1,761)	-	(8,643)
Increase in temporarily restricted net assets	1,202	12		1,214
Increase in permanently restricted net assets	3,634			3,634
Increase in Net Assets	(2,046)	(1,749)	-	(3,795)
Net Assets at Beginning of Period	1,365,084	(10,834)		1,354,250
NET ASSETS AT END OF PERIOD	\$ 1,363,038	\$ (12,583)	-	\$ 1,350,455