

This document is dated as of September 10, 2018

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* **Second Quarter Ended June 30, 2018**

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, 2018 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, 2018

For the first nine months of fiscal year ("FY") 2018, Dana-Farber Cancer Institute, Inc. (DFCI) recorded an excess of revenues over expenses of \$73.7 million, compared to \$9.6 million for the first nine months of FY 2017. Income from operations was \$20.8 million, compared to a loss of (\$34.9) million for the first nine months of FY 2017.

Total operating revenue for the first nine months of FY 2018 was \$1.3 billion, an increase of \$154.0 million, or 13.8%, over the same period in FY 2017. Patient care revenue grew by \$133.8 million, or 18.6%, over the same period in FY 2017. Management attributes this increase largely to growth in patient volume as well as pharmacy revenue. Research revenues have increased by \$10.2 million, or 3.2%, over the same period in FY 2017. Management attributes this increase to increases in funding from clinical trials and affiliate billings. Unrestricted gifts increased by \$3.8 million, or 6.7% over the same period in FY 2017. Management attributes this increase to growth in proceeds from the Pan Mass Challenge and various events. Operating expenses increased to \$1.3 billion, an increase of \$98.3 million, or 8.5% over the same period in FY 2017. General, administrative and plant expenses increased by \$16.5 million, or 6.5%. Management attributes this increase to consulting, legal and new facility lease obligations. Depreciation expense decreased by \$2.9 million, or 3.8% and interest expense decreased by \$3.1 million, or 17.4% compared to the prior fiscal year. Management attributes the decrease in depreciation and interest expense to the termination of the Longwood Research Space capital lease upon the purchase of the Longwood Research Space condominium in July 2017.

Investment returns for the first nine months of FY 2018 were \$24.6 million compared to \$32.3 million through the first nine months of FY 2017. Investment returns include investment income and realized and unrealized gains or losses. DFCI's interest rate swap agreements increased in value by \$8.8 million as compared to an increase of \$15.9 million over the same period in FY 2017. DFCI received \$22.5 million for its portion of the proceeds from the assignment by BCD Hospital Energy Collaborative of its agreement to acquire the MATEP power plant.

DFCI's total assets increased by \$68.7 million, or 2.6%, to \$2.8 billion compared to the third quarter in FY 2017. Management attributes this increase primarily due to the growth in cash and investments and restricted fund raising, partially offset by the net impact of the termination of the Longwood Research Space capital lease upon the purchase of the Longwood Research Space condominium in July 2017. Compared with the third quarter of FY 2017, unrestricted net assets increased \$100.9 million, or 14.9%, to \$779.1 million.

Management attributes this increase to strong operations and positive investment returns. Temporarily restricted net assets increased \$89.8 million, or 15.5%, to \$667.9 million compared to the third quarter of FY 2017. Management attributes this increase primarily to strong fund-raising activities throughout this past year. Permanently restricted net assets increased \$10.4 million, or 5.4%, to \$203.2 million, compared to the third quarter of FY 2017.

Cash and investments increased by \$177.2 million, or 13.9%, compared to the third quarter in FY 2017. For the nine-month period ended June 30, 2018, the endowment's investments experienced a return of 6.2%. Days cash on hand increased by 13 days to 240 days compared to the third quarter of FY 2017. Management attributes this increase to strong operating performance, positive investment returns, cash proceeds of \$22.5 million from DFCI's portion of the proceeds from the assignment by BCD of its agreement to acquire the MATEP power plant and proceeds of \$28.6 million from the monetization of a royalty stream that occurred in July 2016. For a discussion of the monetization transaction, see DFCI's Fourth Quarter Ended 9/30/16 Report under the heading "Management's Discussion and Analysis of Financial Condition and Operating Results" on file at emma.msrb.org.

Net patient accounts receivable increased to \$113.3 million from \$95.6 million compared to the third quarter of FY 2017, due primarily to growth in revenue, but partially offset by strong cash receipts during the quarter. Days in accounts receivable decreased to 34 days as compared to 37 days in the third quarter of FY 2017.

Assets whose use is limited decreased by \$219.1 million compared to the third quarter of FY 2017 as a result of the purchase of the Longwood Research Space condominium in July 2017.

Prepaid expenses and other current assets increased by \$24.5 million from the third quarter of FY 2017 as a result of an increase in prepayments related to pharmacy inventories and certain non-patient receivables.

Contributions receivable increased by \$18.1 million compared to the third quarter of FY 2017 as a result of new pledges.

Amounts due to third-party payors increased by \$31.9 million compared to the third quarter of FY 2017 as a result of settlements with certain payors as well as changes in estimates.

Research advances have increased to \$114.3 million from \$89.4 million in the third quarter of FY 2017 due to growth in clinical trials and a change in accounting treatment for royalty payments. These royalty payments were recorded within Temporarily Restricted Net Assets and are now recorded in Research Advances prior to being expensed.

Long-term debt decreased by \$170.8 million compared to the third quarter of FY 2017 as a result of the termination of the Longwood Research Space capital lease.

Other liabilities increased by \$14.6 million compared to the third quarter of FY 2017 primarily due to the proceeds from the royalty monetization which are recorded as deferred revenue but partially offset by an increase in the swap valuation.

Other Developments: In July 2018, DFCI entered into an arrangement with a third party to sell its royalty stream relating to certain intellectual property. The transaction resulted in a transfer of the cash purchase price of \$23.8 million to DFCI.

On July 19, 2018, DFCI submitted to the Massachusetts Department of Public Health a Notice of Determination of Need (“DoN”) for a substantial capital expenditure and acquisition of DoN-regulated technology for a new hospital satellite facility to be located at 300 Boylston Street, Newton, Massachusetts. The project is valued at \$174,850,000. Management currently anticipates funding the project through internally generated funds over a multiple year period.

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

	As Of June 30		As Of September 30	
	2018	2017	2017	2016
(Dollars in thousands)				
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 198,422	\$ 137,502	\$ 125,379	\$ 136,127
Patient accounts receivable, net	113,254	95,584	99,996	113,877
Contributions receivable, current portion	6,986	5,933	14,969	16,325
Assets whose use is limited, current portion	3,311	222,407	9,033	245,318
Research receivables	31,284	33,247	34,712	22,144
Prepaid expenses and other current assets	90,000	65,486	61,324	54,530
Total Current Assets	443,257	560,159	345,413	588,321
Investments	1,250,538	1,134,287	1,174,119	1,034,466
Assets whose use is limited by indenture agreement or other, less current portion	12,827	12,808	12,762	12,703
Property, plant and equipment, net	946,088	894,475	965,591	923,299
Contributions receivable, less current portion	48,646	31,623	29,504	28,824
Other assets	49,586	48,902	48,997	48,262
TOTAL ASSETS	\$ 2,750,942	\$ 2,682,254	\$ 2,576,386	\$ 2,635,875
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued expenses	122,426	\$ 133,503	\$ 142,827	\$ 144,608
Amounts due to third party payors	63,403	48,561	42,716	43,044
Research advances	114,339	89,425	95,979	62,045
Current portion of long-term debt	4,541	9,459	5,422	14,722
Total Current Liabilities	304,709	280,948	286,944	264,419
Other Liabilities				
Long-term debt, less current portion	603,646	774,471	608,731	782,064
Other Liabilities	192,425	177,826	172,076	195,819
	796,071	952,297	780,807	977,883
Net Assets				
Unrestricted	779,102	678,171	702,810	668,285
Temporarily restricted	667,853	578,021	612,839	540,317
Permanently restricted	203,207	192,817	192,986	184,971
Total Net Assets	1,650,162	1,449,009	1,508,635	1,393,573
TOTAL LIABILITIES AND NET ASSETS	\$ 2,750,942	\$ 2,682,254	\$ 2,576,386	\$ 2,635,875

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	
	2018	2017	2018	2017	2017	2016
(Dollars in thousands)						
Operating revenues:						
Patient service revenue, net of contractual allowances and discounts	\$ 299,060	\$ 238,552	\$ 861,122	\$ 729,934	\$ 995,241	\$ 938,141
Provision for bad debts	1,421	3,327	6,198	8,820	4,432	12,813
Net Patient service revenues, less provision for bad debts	297,639	235,225	854,924	721,114	990,809	925,328
Research revenues	113,091	110,176	332,665	322,509	434,228	386,793
Unrestricted contributions and bequests	6,076	5,405	60,810	57,018	75,227	73,276
Other operating revenues	6,887	5,402	24,433	18,225	24,671	21,130
Total operating revenues	423,693	356,208	1,272,832	1,118,866	1,524,935	1,406,527
Operating expenses:						
Direct research	99,669	94,662	291,996	281,385	381,229	337,901
Direct patient care	206,987	184,498	599,686	522,526	717,139	624,564
General, administrative and plant	91,830	88,955	272,342	255,820	343,204	310,624
Depreciation and amortization	24,415	26,379	73,249	76,138	97,303	88,060
Interest	5,029	5,938	14,761	17,866	22,894	15,656
Total operating expenses	427,930	400,432	1,252,034	1,153,735	1,561,769	1,376,805
Operating (loss) income	(4,237)	(44,224)	20,798	(34,869)	(36,834)	29,722
Investment gains, net	5,379	11,502	24,628	32,290	46,916	26,280
Interest rate swap agreement:						
Net interest paid	(941)	(1,176)	(3,070)	(3,703)	(4,830)	(5,354)
Change in fair value	2,718	(1,796)	8,809	15,923	15,997	(13,836)
Assignment fee	-	-	22,489	-	-	-
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	2,919	(35,694)	73,654	9,641	21,249	36,812
Other Changes in Net Assets:						
Net unrealized gains on endowment	2	-	-	-	-	170
Net assets released from restriction for capital	-	-	-	-	9,519	20,948
Pension adjustment	-	-	-	-	3,757	(2,380)
Other	-	247	2,639	247	-	3
Increase in unrestricted net assets	2,921	(35,447)	76,293	9,888	34,525	55,553
Increase in temporarily restricted net assets	3,554	13,676	55,013	37,702	72,522	23,410
Increase in permanently restricted net assets	2,794	879	10,221	7,846	8,015	10,151
Increase in Net Assets	9,269	(20,892)	141,527	55,436	115,062	89,114
Net Assets at Beginning of Period	1,640,893	1,469,901	1,508,635	1,393,573	1,393,573	1,304,459
NET ASSETS AT END OF PERIOD	\$ 1,650,162	\$ 1,449,009	\$ 1,650,162	\$ 1,449,009	\$ 1,508,635	\$ 1,393,573

DANA-FARBER CANCER INSTITUTE, INC.

Asset Allocation Summary	As Of June 30		As Of September 30	
	2018	2017	2017	2016
(Dollars in Thousands)				
U.S. Government Money Market Fund	\$ 1,247	\$ 5,859	\$ 1,630	\$ 3,864
U.S. Government Securities	93,065	81,334	81,689	70,172
U.S. Equity Securities	80,604	88,689	94,769	63,704
U.S. Equity Mutual Funds	149,674	131,012	136,531	115,556
International Equity Securities	41,932	74,451	81,508	52,303
International Equity Mutual Funds	271,595	195,079	194,805	161,929
Alternative Investments*	612,421	557,863	583,187	566,938
Total	\$1,250,538	\$ 1,134,287	\$ 1,174,119	\$ 1,034,466

* 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	
	2018	2017	2017	2016
Dana-Farber Portfolio	6.2%	8.8%	12.6%	8.4%
Investment Committee Custom Benchmark*	5.0%	7.4%	11.4%	6.3%
S&P 500	9.5%	13.5%	18.6%	15.4%

* 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	
	2018	2017	2017	2016
(Dollars in Thousands)				
Long-Term Debt				
Series K Bonds	\$ 75,123	\$ 79,242	\$ 79,198	\$ 83,145
Series L Bonds	184,057	184,023	184,033	184,000
Series M Bonds	50,306	50,253	50,266	50,213
Series N Bonds	276,211	277,713	277,342	278,805
South Shore lease obligation	14,752	18,966	15,393	19,819
Milford lease obligation	7,738	8,059	7,921	8,461
Longwood Center lease obligation*	-	165,674		172,343
Total Long-Term Debt	608,187	783,930	614,153	796,786
Unrestricted Net Assets	807,245	698,273	725,850	682,684
Total Capitalization	\$ 1,415,432	\$ 1,482,203	\$ 1,340,003	\$ 1,479,470
Total Long-Term Debt as a Percent of Total Capitalization	43.0%	52.9%	45.8%	53.9%

*The decrease in the Long-Term Debt as a Percent of Total Capitalization is the result of the termination of the Longwood Research Space capital lease upon the purchase of the Longwood Research Space condominium in July 2017.

Days Cash on Hand for the Obligated Group	As Of June 30		As Of September 30	
	2018	2017	2017	2016
(Dollars in Thousands)				
Total Unrestricted Cash Position ¹	\$ 1,009,152	\$ 871,865	\$ 879,509	\$ 769,103
Average Daily Expenses ²	4,202	3,834	3,897	3,403
Days Cash On-Hand	240	227	226	226

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.

DANA-FARBER CANCER INSTITUTE, INC.
Actual and Maximum Debt Service for the Obligated Group

(Dollars in Thousands)	Four Quarters Ended June 30		Year Ended September 30	
	2018	2017	2017	2016
Income Available for Debt Service	181,500	120,658	106,457	144,735
Actual Historical Annual Debt Service	29,128	47,669	39,515	30,844
Actual Historical Debt Service Coverage Ratio	6.23	2.53	2.69	4.69
Income Available for Debt Service	181,500	120,658	106,457	144,735
Pro Forma Maximum Annual Debt Service ¹	36,694	51,632	35,711	51,372
Pro Forma Maximum Debt Service Coverage Ratio	4.95	2.34	2.98	2.82

The Historical and Maximum Debt Service Coverage Ratios (DSCR) have been impacted by the following:

- o The Longwood Center capital lease which was effective January 1, 2016
- o The Series N debt issued in June 2016
- o The termination of the Longwood Center capital lease in July 2017
- o DFCI's negative operating results for the fiscal year ended September 30, 2017
- o DFCI's positive operating results through June 30, 2018

The Historical DSCR declined from September 30, 2016 to September 30, 2017: Income available for debt service declined due to DFCI's negative operating results in fiscal year 2017. Actual historical annual debt service increased as fiscal year 2017 included a full year of interest related to Series N debt (as compared to 3 months of Series N interest for the fiscal year ended September 30, 2016).

The Maximum DSCR improved slightly from September 30, 2016 to September 30, 2017: The decrease in income available for debt service was more than offset by the impact of the reduction in the pro forma maximum annual debt service due to the termination of the Longwood Center capital lease in July 2017.

Both the Historical and Maximum DSCR improved from the four quarters ended June 2017 to the four quarters ended June 2018: Income available for debt service improved due to positive operating results through June 2018. Actual annual and pro forma maximum annual debt service declined due to the termination of the Longwood Center capital lease in July 2017.

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 September 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 1.62% and 1.28% for September 30, 2017 and 2016 and 2.17% and 1.50% for June 30, 2018 and 2017, respectively. The Assumed Rate used to calculate debt service for the variable rate capital lease which expires in 2030 is 3.49% and 3.040% for September 30, 2017 and 2016 and 5.03% and 2.92% for June 30, 2018 and 2017, 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	
	2018	2017	2018	2017	2017	2016
OUTPATIENT STATISTICS						
MD Clinic visits ⁽¹⁾	90,762	84,816	259,781	245,525	328,591	321,900
Infusion visits ⁽¹⁾	45,491	41,822	130,428	124,270	165,792	164,112
ANCILLARY STATISTICS (units of service)						
Laboratories	352,652	335,261	987,555	903,231	1,246,171	1,134,298
Blood Bank	17,755	17,121	51,643	50,867	67,889	64,431
Pharmacy ⁽¹⁾⁽²⁾	118,105,530	97,460,249	338,813,367	276,893,523	378,567,492	320,933,689
PET Scans	1,365	861	3,883	2,841	3,871	4,347
Diagnostic Radiology	4,798	4,878	14,183	13,676	18,412	12,110
Ultrasound	380	390	1,129	1,020	1,406	1,164
Nuclear Medicine	632	684	1,934	2,032	2,725	2,300
MRI	2,366	2,089	5,838	5,945	7,813	8,211
CT Scans	8,216	7,791	23,873	22,567	30,245	30,399
Radiation Therapy	9,974	9,405	29,891	28,625	38,358	42,160
Respiratory Therapy/EKG (Treatments)	6,007	5,370	17,351	15,664	21,263	23,357
INPATIENT STATISTICS						
Licensed Beds	30	30	30	30	30	30
Total Admissions	316	235	929	794	1,044	1,280
ALOS	8.66	11.24	8.49	9.57	9.85	7.86
Total Patient Days	2,735	2,641	7,886	7,596	10,288	10,059
Occupancy Rate	99.1%	96.7%	96.3%	92.7%	93.7%	91.6%

Source: Institute Records

¹ Includes results of DFCCN

² Cost of drugs administered

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

	Quarter Ended June 30			
	Inpatient		Outpatient	
	2018	2017	2018	2017
Percentage Gross Revenues				
Medicare	32%	36%	43%	41%
Medicaid	3%	8%	8%	7%
Other	36%	33%	26%	27%
Blue Cross	28%	21%	22%	24%
Self-Pay	1%	2%	1%	1%
Total	100%	100%	100%	100%

	Nine Months Ended June 30			
	Inpatient		Outpatient	
	2018	2017	2018	2017
Percentage Gross Revenues				
Medicare	36%	30%	42%	40%
Medicaid	10%	9%	7%	7%
Other	31%	37%	28%	28%
Blue Cross	22%	22%	22%	23%
Self-Pay	1%	2%	1%	2%
Total	100%	100%	100%	100%

	Year Ended September 30			
	Inpatient		Outpatient	
	2017	2016	2017	2016
Percentage Gross Revenues				
Medicare	31%	30%	40%	37%
Medicaid	9%	11%	7%	8%
Other	36%	32%	28%	30%
Blue Cross	23%	26%	23%	23%
Self-Pay	1%	1%	2%	2%
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	
	2018	2017	2018	2017	2017	2016
Fundraising Contributions						
Unrestricted contributions and bequests	\$ 6,076	\$ 5,405	\$ 60,810	\$ 57,018	\$ 75,227	\$ 73,276
Gifts for current use	921	1,505	5,874	6,452	8,098	7,711
Temporarily restricted	25,037	17,479	101,578	67,422	116,832	83,365
Permanently restricted	2,794	780	10,221	9,647	9,815	10,151
Subtotal	34,828	25,169	178,483	140,539	209,972	174,503
Non-government Grants	9,898	14,059	27,449	29,556	46,391	39,132
Total Fundraising Contributions	\$ 44,726	\$ 39,228	\$ 205,932	\$ 170,095	\$ 256,363	\$ 213,635
Direct Fundraising Expenses	\$ 7,571	\$ 6,962	\$ 21,446	\$ 21,320	\$ 30,168	\$ 28,459
Direct Fundraising Expenses as Percent of Total Fundraising Contributions	17%	18%	10%	13%	12%	13%

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 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.

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

As Of June 30, 2018

(Dollars in thousands)	Obligated Group	Dana-Farber Cancer Care Network, Inc.	Eliminations and Reclassifications	Consolidated
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 198,057	\$ 365		\$ 198,422
Patient accounts receivable, net	110,853	2,401		113,254
Contributions receivable, less current portion	6,986			6,986
Assets whose use is limited, current portion	3,311			3,311
Research receivables	31,284			31,284
Prepaid expenses and other current assets	119,122	1,628	\$ (30,750)	90,000
Total Current Assets	469,613	4,394	(30,750)	443,257
Investments	1,250,538			1,250,538
Assets whose use is limited by indenture agreement or other, less current portion	12,827			12,827
Property, plant and equipment, net	945,033	1,055		946,088
Contributions receivable, less current portion	48,646			48,646
Other assets	49,586			49,586
TOTAL ASSETS	\$ 2,776,243	\$ 5,449	\$ (30,750)	\$ 2,750,942
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued expenses	\$ 119,705	\$ 33,471	\$ (30,750)	\$ 122,426
Amounts due to third party payors	63,403			63,403
Research advances	114,339			114,339
Current portion of long-term debt	4,541			4,541
Total Current Liabilities	301,988	33,471	(30,750)	304,709
Other Liabilities				
Long-term debt, less current portion	603,646			603,646
Other Liabilities	192,425			192,425
	796,071	-	-	796,071
Net Assets				
Unrestricted	807,245	(28,143)		779,102
Temporarily restricted	667,732	121		667,853
Permanently restricted	203,207			203,207
Total Net Assets	1,678,184	(28,022)	-	1,650,162
TOTAL LIABILITIES AND NET ASSETS	\$ 2,776,243	\$ 5,449	\$ (30,750)	\$ 2,750,942

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

Nine Months Ended June 30, 2018

(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	\$ 833,999	\$ 27,123		\$ 861,122
Provision for bad debts	5,942	256		6,198
Net patient service revenue, less provision for bad debts	828,057	26,867	-	854,924
Research revenues	332,636	29		332,665
Unrestricted contributions and bequests	60,810			60,810
Other operating revenues	24,433			24,433
Total operating revenues	1,245,936	26,896	-	1,272,832
Operating expenses:				
Direct research	291,967	29		291,996
Direct patient care	569,073	30,613		599,686
General, administrative and plant	271,339	1,003		272,342
Depreciation and amortization	72,895	354		73,249
Interest	14,761			14,761
Total operating expenses	1,220,035	31,999	-	1,252,034
Operating income (loss)	25,901	(5,103)	-	20,798
Investment gains, net	24,628			24,628
Interest rate swap agreement:				
Net interest paid	(3,070)			(3,070)
Change in fair value	8,809			8,809
Assignment fee	22,489			22,489
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	78,757	(5,103)	-	73,654
Other Changes in Net Assets:				
Net unrealized loss on endowment	-			-
Net assets released from restriction for capital	-			-
Pension adjustment				-
Other	2,639			2,639
Increase in unrestricted net assets	81,396	(5,103)	-	76,293
Increase in temporarily restricted net assets	55,037	(24)		55,013
Increase in permanently restricted net assets	10,221			10,221
Increase in Net Assets	146,654	(5,127)	-	141,527
Net Assets at Beginning of Period	1,531,530	(22,895)		1,508,635
NET ASSETS AT END OF PERIOD	\$ 1,678,184	\$ (28,022)	-	\$ 1,650,162

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

Quarter Ended March 31, 2018

(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	\$ 289,980	\$ 9,080		\$ 299,060
Provision for bad debts	1,165	256		1,421
Net patient service revenue, less provision for bad debts	288,815	8,824	-	297,639
Research revenues	113,077	14		113,091
Unrestricted contributions and bequests	6,076	-		6,076
Other operating revenues	6,887	-		6,887
Total operating revenues	414,855	8,838	-	423,693
Operating expenses:				
Direct research	99,655	14		99,669
Direct patient care	196,670	10,317		206,987
General, administrative and plant	91,481	349		91,830
Depreciation and amortization	24,298	117		24,415
Interest	5,029			5,029
Total operating expenses	417,133	10,797	-	427,930
Operating loss	(2,278)	(1,959)	-	(4,237)
Investment gains, net	5,379	-		5,379
Interest rate swap agreement:				
Net interest paid	(941)	-		(941)
Change in fair value	2,718	-		2,718
Transfer fee	-	-		-
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	4,878	(1,959)	-	2,919
Other Changes in Net Assets:				
Net unrealized income on endowment	2	-		2
Change in fair value of interest swaps				
Net assets released from restriction for capital	-	-		-
Pension adjustment	-	-		-
Other	-	-		-
Increase in unrestricted net assets	4,880	(1,959)	-	2,921
Increase in temporarily restricted net assets	3,567	(13)		3,554
Increase in permanently restricted net assets	2,794	-		2,794
Increase in Net Assets	11,241	(1,972)	-	9,269
Net Assets at Beginning of Period	1,666,943	(26,050)		1,640,893
NET ASSETS AT END OF PERIOD	\$ 1,678,184	\$ (28,022)	\$ -	\$ 1,650,162

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

As Of June 30, 2017

(Dollars in thousands)	Obligated Group	Dana-Farber Cancer Care Network, Inc.	Eliminations and Reclassifications	Consolidated
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

(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	\$ 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 loss	(29,169)	(5,700)	-	(34,869)
Investment gains, 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 (DEFICIT) 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

(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	\$ 230,513	\$ 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 loss	(41,968)	(2,256)	-	(44,224)
Investment gains, 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				
(DEFICIT) 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