

**This document is dated as of March 13, 2023**

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. Dana-Farber Cancer Institute expressly disclaims any obligation or undertaking to issue any updates or revisions to those forward-looking statements if or when there are events, conditions, or circumstances on which such statements are based occur.

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

### **DANA-FARBER CANCER INSTITUTE, INC., AND SUBSIDIARIES\***

**First Quarter Ended December 31, 2022**

**Laurie H. Glimcher M.D., President and Chief Executive Officer**  
**William C. Hahn M.D. Ph.D., Executive Vice President and Chief Operating Officer**  
**Michael L. Reney, Executive Vice President and Chief Finance & Business**  
**Strategy Officer**

**\*Dana-Farber Cancer Institute, Inc. is the parent corporation of Dana-Farber, Inc., Dana-Farber Trust, Inc., Dana-Farber Cancer Care Network, Inc., Dana-Farber Global Oncology, LLC, Mass General Brigham / Dana-Farber International, LLC and Binney Street Capital Fund, LLC. Results for the quarter ended December 31, 2022, are presented on a condensed, consolidated basis. The Obligated Group is comprised of 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**

**First Quarter Ended December 31, 2022**

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**Management Discussion and Analysis of Financial Condition and Operating Results**

For the first three months of fiscal year ("FY") 2023, DFCI recorded a consolidated excess of revenues over expenses of \$87.5 million, compared to an excess of revenues over expenses of \$81.0 million for the first three months of FY 2022. Income from operations was \$51.6 million, compared to \$46.4 million for the first three months of FY 2022.

Total operating revenue for the first three months of FY 2023 was \$734.0 million, an increase of \$93.5 million, or 14.6 percent, over the same period in FY 2022. Total patient service revenue increased by \$84.1 million, or 19.2 percent as compared to the same period in FY 2022. Management attributes this increase to growth in patient volume, pharmacy revenue, and the Foxboro campus, which opened in August 2022. Direct research revenues related to grants, contracts and gifts remained approximately at the same level increasing by \$7,000, or 0.01 percent, over the same period in FY 2022. Grants and contracts revenue increased \$3.1 million while gift spending decreased by \$3.1 million. The fluctuations from the first quarter of 2022 are primarily driven by increases in clinical trials spending and a shift of funding source from gifts in FY 2022 to non-government grants funding in FY 2023. Indirect research revenues increased by \$0.98 million, or 3.3 percent, over the same period in FY 2022 in line with higher levels of expenditures related to federal grants and contracts, clinical trials and non-government grants. Unrestricted gifts increased by approximately \$8.2 million, or 15.7 percent, from the same period in FY 2022 due primarily to growth in the proceeds from the Pan Mass Challenge annual gift. Other operating revenue increased by \$0.14 million, or 1.7 percent, from the same period in FY 2022.

Operating expenses of \$682.4 million increased \$88.3 million, or 14.9 percent over the first three months of FY 2022. Total patient service expenses increased by \$64.9 million, or 18.4 percent from the same period in FY 2022, in line with patient volume and pharmacy growth and reflecting the operating expenses for the Foxboro campus opened in August of 2022. Total research expenses decreased by \$0.97 million, or 0.7 percent from the same period in FY 2022. Total general and administrative expenses increased by \$24.4 million, or 22.4 percent, from the same period in FY 2022, due primarily to increases in staffing and related compensation expenses and a partial return of pre-pandemic spending levels on legal and consulting services.

Investment returns, including investment income and realized and unrealized gains or losses, were favorable in the amount of \$40.0 million, or a positive return of 4.7 percent for the first three months of FY 2023 compared to a favorable \$34.2 million, or a positive return of 1.7 percent for the same period in the prior year. The Institute's swap liability increased by \$1.2 million as compared to an increase of \$0.9 million.

The Institute's total assets decreased by \$213.1 million, or 4.6 percent, since December 31, 2021, to \$4.4 billion. The decrease is driven primarily by decreases in investments of \$205.9 million, cash and cash equivalents of \$61.2 million, and property, plant and equipment of \$43.4 million, offset in part by increases in patient accounts receivable of \$58.0 million, and prepaid expenses and other assets of \$25.1 million.

Compared with the same period in FY 2022, net assets without donor restriction increased by \$16.8 million, or 1.2 percent, to \$1.4 billion, reflecting positive operating and philanthropy results, net of unfavorable investment returns. Net assets with donor restriction decreased by \$136.6 million, or 8.1 percent, to \$1.7 billion, primarily due to unfavorable investment returns offset by positive operating and philanthropy results.

Cash decreased by \$61.2 million, or 43.5 percent, compared to the first quarter in FY 2022. Management attributes this decrease to transfers to investments of \$73.2 million and the \$95.0 million in repayments to Medicare of the \$133.0 million in accelerated payments received in FY 2020. These decreases were partially offset by positive operating and philanthropy results.

Investments decreased by \$205.9 million, or 7.9 percent, compared to the first quarter in FY 2022. Management attributes this decrease to unfavorable investment returns offset by transfers from operating cash.

Net patient accounts receivable increased by \$58.0 million, or 32.2 percent, compared to the first quarter of FY 2022 due to growth in patient revenue and timing of payments from certain large commercial payors.

Contributions receivable (current and long-term) increased by \$8.8 million, or 14.4 percent, compared to the first quarter of FY 2022 as a result of new pledges.

Research receivables decreased by \$7.7 million, or 10.7 percent, compared to the first quarter of FY 2022 due to the increase in grant spending and the timing of receipts related to government grants and clinical trials.

Prepaid expenses and other current assets increased by \$25.1 million, or 14.0 percent, from the first quarter of FY 2022 due to volume driven increases in pharmacy inventories and prepaid expenses primarily at Merrimack Valley, Chestnut Hill, and Foxboro, and in non-patient receivables.

Property, plant, and equipment decreased by \$43.4 million, or 4.4 percent, compared to the first quarter of FY 2022, as depreciation outpaced capital additions.

Other long-term assets decreased by \$1.4 million, or 2.7 percent, compared to the first quarter of FY 2022 due primarily to amortization of prepaid expenses related to royalty monetization payments received from pharmaceutical companies as a result of licensing arrangements.

Accounts payable and accrued expenses decreased by \$54.4 million, or 19.4 percent, compared to the first quarter of FY 2022 primarily due to \$95.0 million in repayment to Medicare for accelerated payments received in FY 2020. The total amount of \$133.0 million has been repaid as of June 30, 2022, with no further repayments owed to Medicare.

Amounts due to third-party payers increased by \$7.8 million, or 13.6 percent, compared to the first quarter of FY 2022 due to the establishment of current year liabilities offset by payment of certain prior year settlements.

Research advances increased by \$24.2 million, or 17.5 percent, compared to the first quarter of FY 2022 due to growth in non-government grants and commercial agreements.

Long-term debt (including current portion) decreased by \$9.4 million, or 1.6 percent, compared to the first quarter of FY 2022 due to scheduled payments and bond premium amortization.

Operating lease liabilities (including current portion) increased by \$2.9 million, or 0.8 percent compared to the first quarter of FY 2022 due to the liability related to new leases exceeding the scheduled payments and amortization of real estate and equipment leases.

Other liabilities decreased by \$64.5 million, or 47.7 percent, compared to the first quarter of FY 2022 as a result of a \$10.0 million payment for deferred payroll taxes related to the CARES Act (representing the remaining balance of the \$19.8 million received), a \$38.0 million decrease in the swap liability, and the amortization of deferred revenue related to royalty monetizations.

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

	As of December 31		As of September 30	
	2022	2021	2022	2021
(Dollars in thousands)				
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 79,601	\$ 140,835	\$ 65,289	\$ 152,196
Patient accounts receivable, net	238,143	180,134	227,873	174,772
Contributions receivable, current portion	5,144	16,350	16,149	30,856
Royalty receivable	3,731	5,171	3,800	5,171
Assets whose use is limited, current portion	27	45	685	726
Research receivables	80,072	72,338	70,855	72,312
Prepaid expenses and other current assets	204,309	179,161	187,060	163,913
<b>Total Current Assets</b>	<b>611,027</b>	<b>594,034</b>	<b>571,711</b>	<b>599,946</b>
Investments	2,405,819	2,611,717	2,249,079	2,427,986
Right of use assets, net - operating leases	362,465	361,898	369,926	373,687
Property, plant and equipment, net	945,672	989,025	956,609	1,003,676
Contributions receivable, less current portion	64,297	44,338	45,972	45,202
Other assets	50,147	51,534	51,671	53,761
<b>TOTAL ASSETS</b>	<b>\$ 4,439,427</b>	<b>\$ 4,652,546</b>	<b>\$ 4,244,968</b>	<b>\$ 4,504,258</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	\$ 225,349	\$ 279,715	\$ 232,083	\$ 303,205
Amounts due to third party payors	65,091	57,295	66,421	50,808
Operating lease liabilities	47,695	44,314	46,264	44,871
Research advances	162,699	138,478	153,104	131,127
Current portion of long-term debt	6,408	6,060	6,624	6,257
<b>Total Current Liabilities</b>	<b>507,242</b>	<b>525,862</b>	<b>504,496</b>	<b>536,268</b>
<b>Other Liabilities</b>				
Long-term debt, less current portion	553,768	563,469	559,457	568,526
Operating lease liabilities, less current portion	338,810	339,263	346,764	350,066
Other liabilities	70,724	135,255	74,870	149,079
<b>Total Liabilities</b>	<b>1,470,544</b>	<b>1,563,849</b>	<b>1,485,587</b>	<b>1,603,939</b>
<b>Net Assets</b>				
Net assets without donor restriction	1,408,439	1,391,648	1,320,168	1,310,610
Net assets with donor restriction	1,560,444	1,697,049	1,439,213	1,589,709
<b>Total Net Assets</b>	<b>2,968,883</b>	<b>3,088,697</b>	<b>2,759,381</b>	<b>2,900,319</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,439,427</b>	<b>\$ 4,652,546</b>	<b>\$ 4,244,968</b>	<b>\$ 4,504,258</b>

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

	Quarter Ended		Year Ended
	December 31		September 30
(Dollars in thousands)	2022	2021	2022
Operating Revenues:			
Net patient service revenues	\$ 523,290	\$ 439,168	\$ 1,883,616
Research revenues			
Direct grants and contracts	73,514	70,359	299,689
Gift related research revenue	37,035	40,183	161,546
Direct research revenues	110,549	110,542	461,235
Indirect grants/contracts/gifts	30,594	29,610	122,885
Unrestricted contributions and bequests	60,775	52,529	87,687
Other operating revenues	8,836	8,693	54,797
Total operating revenues	734,044	640,542	2,610,220
Operating expenses:			
Patient service			
Direct patient care	402,514	338,721	1,458,438
Depreciation and amortization	13,942	14,327	56,753
Interest	1,884	386	3,221
Total patient service expense	418,340	353,434	1,518,412
Research			
Direct research/restricted gifts	110,549	110,541	461,235
Institute supported research	7,930	8,890	33,761
Depreciation and amortization	8,850	8,942	34,335
Interest	3,417	3,339	13,512
Total research expense	130,746	131,712	542,843
General and administrative			
General and administrative	130,756	106,258	473,683
Depreciation and amortization	2,459	2,407	9,268
Interest	103	299	236
Total general and administrative expense	133,318	108,964	483,187
Total expenses	682,404	594,110	2,544,442
Operating Income	51,640	46,432	65,778
Investment income, net	40,009	34,243	(110,710)
Pension benefit, excluding service cost	-	-	51
Royalty income net of expenses	(2,440)	2,689	3,308
Interest rate swap agreement			
Net interest paid	(461)	(1,420)	(4,848)
Change in fair value	(1,229)	(906)	38,290
Total interest rate swap agreement	(1,690)	(2,326)	33,442
<b>EXCESS/(DEFICIT) OF REVENUES OVER EXPENSES</b>	87,519	81,038	(8,131)
<b>Other changes in net assets:</b>			
Net assets released from restriction for capital	-	-	14,664
Pension adjustment	-	-	4,981
Other	753	-	(1,956)
Increase in net assets without donor restrictions	88,272	81,038	9,558
Increase / (decrease) in net assets with donor restrictions	121,230	107,340	(150,496)
<b>Increase (decrease) in Net Assets</b>	209,502	188,378	(140,938)
<b>Net Assets at Beginning of Period</b>	2,759,381	2,900,319	2,900,319
<b>NET ASSETS AT END OF PERIOD</b>	<b>\$ 2,968,883</b>	<b>\$ 3,088,697</b>	<b>\$ 2,759,381</b>

**DANA-FARBER CANCER INSTITUTE, INC.**

<b>Asset Allocation Summary</b>	<b>As of December 31</b>		<b>As of September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
(Dollars in Thousands)				
U.S. Government Money Market Fund	\$ 67,214	\$ 105,309	\$ 4,341	\$ 5,443
U.S. Government Securities	199,356	214,991	191,703	225,118
U.S. Equity Securities	67	147,610	293	139,925
U.S. Equity Mutual Funds	357,422	245,508	331,634	221,775
International Equity Securities	-	13,902	-	13,623
International Equity Mutual Funds	474,884	492,996	435,050	435,150
Hedge funds and private equity funds*	1,306,876	1,391,401	1,286,058	1,386,952
<b>Total</b>	<b>\$ 2,405,819</b>	<b>\$ 2,611,717</b>	<b>\$ 2,249,079</b>	<b>\$ 2,427,986</b>

\*Hedge funds and private equity funds, previously reported as alternative investments, consist of investments in limited partnerships and limited liability companies.

<b>Investment Performance Summary</b>	<b>As of December 31</b>		<b>As of September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Dana-Farber Portfolio	4.7%	1.7%	-12.8%	36.3%
Investment Committee Custom Benchmark*	4.3%	2.2%	-10.3%	31.5%
S&P 500	7.6%	11.0%	-15.9%	30.0%

\* 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 November 2021.

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

	<b>As of December 31</b>		<b>As of September 30</b>	
(Dollars in Thousands)	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Long-Term Debt</b>				
Series L Bonds	92,104	92,087	92,099	91,666
Series M Bonds	50,545	50,492	50,532	50,479
Series N Bonds	268,739	270,506	269,186	270,937
Series O Bonds	36,368	42,252	41,387	47,083
Series P Bonds	92,500	92,500	92,500	92,500
South Shore lease obligation	15,363	16,364	15,620	16,605
Milford lease obligation	4,558	5,327	4,756	5,513
<b>Total Long-Term Debt</b>	<b>560,176</b>	<b>569,528</b>	<b>566,081</b>	<b>574,783</b>
<b>Net assets without donor restriction<sup>1</sup></b>	<b>1,446,641</b>	<b>1,433,692</b>	<b>1,359,023</b>	<b>1,353,170</b>
<b>Total Capitalization</b>	<b>\$ 2,006,818</b>	<b>\$ 2,003,221</b>	<b>\$ 1,925,104</b>	<b>\$ 1,927,953</b>
<b>Total Long-Term Debt as a Percent of Total Capitalization</b>	<b>27.9%</b>	<b>28.4%</b>	<b>29.4%</b>	<b>29.8%</b>

<sup>1</sup> Net assets without donor restrictions only represents the Obligated Group which includes Dana-Farber Cancer Institute, Inc. and Dana-Farber, Inc.



**DANA-FARBER CANCER INSTITUTE, INC.**

<b>Days Cash on Hand for the Obligated Group</b> (Dollars in Thousands)	<b>As of</b>		<b>As of</b>	
	<b>December 31</b>		<b>September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Total Unrestricted Cash Position <sup>1</sup>	\$ 1,485,819	\$ 1,677,798	\$ 1,428,292	\$ 1,601,925
Average Daily Expenses <sup>2</sup>	7,143	6,177	6,695	5,790
<b>Days Cash On-Hand</b>	<b>208</b>	<b>272</b>	<b>213</b>	<b>277</b>

<sup>1</sup> These amounts are composed of 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 required to be excluded under the Master Trust Indenture.

<sup>2</sup> These amounts are composed of total operating expenses less depreciation and amortization divided by the number of days in the period.

<b>Actual and Maximum Debt Service for the Obligated Group</b> (Dollars in Thousands)	<b>Year Ended</b>		<b>Year Ended</b>	
	<b>December 31</b>		<b>September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Income Available for Debt Service	203,137	205,724	215,787	251,982
Actual Historical Annual Debt Service	28,652	27,756	27,969	27,020
<b>Actual Historical Debt Service Coverage Ratio</b>	<b>7.09</b>	<b>7.41</b>	<b>7.72</b>	<b>9.33</b>
Income Available for Debt Service	203,137	205,724	215,787	251,982
Pro Forma Maximum Annual Debt Service <sup>1</sup>	36,458	35,838	36,040	35,834
<b>Pro Forma Maximum Debt Service Coverage Ratio</b>	<b>5.57</b>	<b>5.74</b>	<b>5.99</b>	<b>7.03</b>

The decrease in the Debt Service Coverage ratio from December 31, 2021 to December 31, 2022 is primarily driven by the decrease in Institute's non operating income due to lower investment returns and royalty income in 2022.

<sup>1</sup> 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 that is covered by interest rate swap agreements is calculated in accordance with the terms of the Master Trust Indenture. The Assumed Rate used to calculate debt service for the Series L and P variable rate bonds is 2.34% and 1.04% for December 31, 2022 and 2021, respectively.

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

	Quarter Ended December 31		Year Ended September 30	
	2022	2021	2022	2021
<b>OUTPATIENT STATISTICS</b>				
MD Clinic visits <sup>(1)</sup>	93,251	91,539	368,976	364,577
Infusion visits <sup>(1)</sup>	51,790	49,533	201,477	188,242
<b>ANCILLARY STATISTICS</b>				
(units of service)				
Laboratories	398,872	403,524	1,627,163	1,470,073
Blood Bank	21,285	21,253	81,068	82,716
Pharmacy <sup>(1)(2)</sup>	\$ 245,632,074	\$ 203,304,613	\$ 882,043,574	\$ 703,128,777
PET Scans	1,840	1,810	7,194	6,381
Diagnostic Radiology	7,117	6,827	25,155	22,665
Ultrasound	718	600	2,719	2,215
Nuclear Medicine	722	731	2,484	2,557
MRI	3,940	3,590	14,635	11,728
CT Scans	11,197	10,182	43,277	37,945
Radiation Therapy	9,835	11,345	43,371	42,282
Respiratory Therapy/EKG (Treatments)	6,213	5,394	21,569	21,154
<b>INPATIENT STATISTICS</b>				
Licensed Beds	30	30	30	30
Total Admissions	315	331	1,288	1,436
ALOS	8	8	7.47	6.91
Total Patient Days	2,541	2,415	9,559	10,014
Occupancy Rate	92.5%	87.9%	87.8%	91.9%

**Source: Institute Records**

<sup>1</sup> FY 21 includes results of Dana Farber Cancer Care Network

<sup>2</sup> Cost of drugs administered

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

<b>Quarter Ended 31-Dec</b>				
	<b>Inpatient</b>		<b>Outpatient</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Percentage Gross Revenues</b>				
Medicare	46%	48%	47%	47%
Medicaid	6%	8%	8%	7%
Blue Cross	26%	15%	21%	21%
HMO, Commercial and Other	22%	27%	23%	24%
Self-Pay	0%	2%	1%	1%
Total	100%	100%	100%	100%

  

<b>Year Ended September 30</b>				
	<b>Inpatient</b>		<b>Outpatient</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Percentage Gross Revenues</b>				
Medicare	46%	45%	46%	46%
Medicaid	9%	13%	8%	7%
Blue Cross	17%	23%	22%	21%
HMO, Commercial and Other	27%	19%	23%	25%
Self-Pay	1%	0%	1%	1%
Total	100%	100%	100%	100%

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

(Dollars in thousands)	Quarter Ended December 31		Year Ended September 30	
	2022	2021	2022	2021
<b>Fundraising Contributions</b>				
Unrestricted contributions and bequests	\$ 60,775	\$ 52,529	\$ 87,687	\$ 81,979
Restricted Gifts	100,865	92,943	323,412	278,726
<b>Total Philanthropy</b>	<b>\$ 161,640</b>	<b>\$ 145,472</b>	<b>\$ 411,099</b>	<b>\$ 360,705</b>
<b>Related Direct Expenses</b>	<b>\$ 11,333</b>	<b>\$ 9,760</b>	<b>\$ 47,710</b>	<b>\$ 41,938</b>
<b>Direct Fundraising Expenses as Percent of Total Fundraising Contributions</b>	7%	7%	12%	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 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 December 31, 2022

(Dollars in thousands)

	Obligated Group	Dana-Farber Cancer Care Network, Inc.	Dana-Farber Global Oncology	Eliminations and Reclassifications	Consolidated
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 73,725	\$ 172	\$ 5,704	\$ -	\$ 79,601
Patient accounts receivable, net	238,143	-	-	-	238,143
Contributions receivable, current portion	5,144	-	-	-	5,144
Royalty receivable	3,731	-	-	-	3,731
Assets whose use is limited, current portion	27	-	-	-	27
Research receivables	80,072	-	-	-	80,072
Prepaid expenses and other current assets	250,273	-	1,885	(47,849)	204,309
<b>Total Current Assets</b>	<b>651,115</b>	<b>172</b>	<b>7,589</b>	<b>(47,849)</b>	<b>611,027</b>
Investments	2,405,819	-	-	-	2,405,819
Right of use assets, net - operating leases	362,465	-	-	-	362,465
Property, plant and equipment, net	945,672	-	-	-	945,672
Contributions receivable, less current portion	64,297	-	-	-	64,297
Other assets	48,118	2,029	-	-	50,147
<b>TOTAL ASSETS</b>	<b>\$ 4,477,486</b>	<b>\$ 2,201</b>	<b>\$ 7,589</b>	<b>\$ (47,849)</b>	<b>\$ 4,439,427</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued expenses	\$ 224,956	\$ 46,153	\$ 2,089	\$ (47,849)	\$ 225,349
Amounts due to third party payors	65,091	-	-	-	65,091
Operating lease liabilities, current portion	47,695	-	-	-	47,695
Research advances	162,699	-	-	-	162,699
Current portion of long-term debt	6,408	-	-	-	6,408
<b>Total Current Liabilities</b>	<b>506,849</b>	<b>46,153</b>	<b>2,089</b>	<b>(47,849)</b>	<b>507,242</b>
<b>Other Liabilities</b>					
Long-term debt, less current portion	553,768	-	-	-	553,768
Operating lease liabilities, less current portion	338,810	-	-	-	338,810
Other liabilities	70,724	-	-	-	70,724
<b>Total Liabilities</b>	<b>1,470,151</b>	<b>46,153</b>	<b>2,089</b>	<b>(47,849)</b>	<b>1,470,544</b>
<b>Net Assets</b>					
Net assets without donor restriction	1,446,891	(43,952)	5,500	-	1,408,439
Net assets with donor restriction	1,560,444	-	-	-	1,560,444
<b>Total Net Assets</b>	<b>3,007,335</b>	<b>(43,952)</b>	<b>5,500</b>	<b>-</b>	<b>2,968,883</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,477,486</b>	<b>\$ 2,201</b>	<b>\$ 7,589</b>	<b>\$ (47,849)</b>	<b>\$ 4,439,427</b>

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

**Quarter Ended December 31, 2022**

	Obligated Group	Dana-Farber Cancer Care Network, Inc.	Dana-Farber Global Oncology	Eliminations and Reclassifications	Consolidated
(Dollars in thousands)					
Operating Revenues:					
Net patient service revenues	\$ 523,290	\$ -	\$ -	\$ -	\$ 523,290
Research revenues					
Direct grants and contracts	73,514	-	-	-	73,514
Gift related research revenue	37,035	-	-	-	37,035
Direct research revenues	110,549	-	-	-	110,549
Indirect grants/contracts/gifts	30,594	-	-	-	30,594
Unrestricted contributions and bequests	60,775	-	-	-	60,775
Other operating revenues	8,406	-	430	-	8,836
Total operating revenues	733,614	-	430	-	734,044
Operating expenses:					
Patient service					
Direct patient care	402,514	-	-	-	402,514
Depreciation and amortization	13,942	-	-	-	13,942
Interest	1,884	-	-	-	1,884
Total patient service expense	418,340	-	-	-	418,340
Research					
Direct research/restricted gifts	110,549	-	-	-	110,549
Institute supported research	7,930	-	-	-	7,930
Depreciation and amortization	8,850	-	-	-	8,850
Interest	3,417	-	-	-	3,417
Total research expense	130,746	-	-	-	130,746
General and administrative					
General and administrative	130,729	-	27	-	130,756
Depreciation and amortization	2,459	-	-	-	2,459
Interest	103	-	-	-	103
Total general and administrative expense	133,291	-	27	-	133,318
Total Expenses	682,377	-	27	-	682,404
Operating Income	51,237	-	403	-	51,640
Investment income, net	40,009	-	-	-	40,009
Pension benefit, excluding service cost	-	-	-	-	-
Royalty income net of expenses	(2,440)	-	-	-	(2,440)
Interest rate swap agreement					
Net interest paid	(461)	-	-	-	(461)
Change in fair value	(1,229)	-	-	-	(1,229)
Total interest rate swap agreement	(1,690)	-	-	-	(1,690)
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>87,116</b>	<b>-</b>	<b>403</b>	<b>-</b>	<b>87,519</b>
Other changes in net assets:					
Net assets released from restriction for capital	-	-	-	-	-
Net unrealized gain on endowment	-	-	-	-	-
Pension adjustment	-	-	-	-	-
Other	753	-	-	-	753
Increase in net assets without donor restrictions	87,869	-	403	-	88,272
Increase in net assets with donor restrictions	121,230	-	-	-	121,230
<b>Increase in Net Assets</b>	<b>209,099</b>	<b>-</b>	<b>403</b>	<b>-</b>	<b>209,502</b>
<b>Net Assets at Beginning of Period</b>	<b>2,798,236</b>	<b>(43,952)</b>	<b>5,097</b>	<b>-</b>	<b>2,759,381</b>
<b>NET ASSETS AT END OF PERIOD</b>	<b>\$ 3,007,335</b>	<b>\$ (43,952)</b>	<b>\$ 5,500</b>	<b>\$ -</b>	<b>\$ 2,968,883</b>

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

As of December 31, 2021

(Dollars in thousands)

	Obligated Group	Dana-Farber Cancer Care Network, Inc.	Dana-Farber Global Oncology	Eliminations and Reclassifications	Consolidated
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 136,657	\$ 132	\$ 4,046	\$ -	\$ 140,835
Patient accounts receivable, net	180,134	-	-	-	180,134
Contributions receivable, current portion	16,350	-	-	-	16,350
Royalty receivable	5,171	-	-	-	5,171
Assets whose use is limited, current portion	45	-	-	-	45
Research receivables	72,338	-	-	-	72,338
Prepaid expenses and other current assets	224,916	-	228	(45,983)	179,161
<b>Total Current Assets</b>	<b>635,611</b>	<b>132</b>	<b>4,274</b>	<b>(45,983)</b>	<b>594,034</b>
Investments	2,611,717	-	-	-	2,611,717
Right of use assets, net - operating leases	361,898	-	-	-	361,898
Property, plant and equipment, net	989,025	-	-	-	989,025
Contributions receivable, less current portion	44,338	-	-	-	44,338
Other assets	51,534	-	-	-	51,534
<b>TOTAL ASSETS</b>	<b>\$ 4,694,123</b>	<b>\$ 132</b>	<b>\$ 4,274</b>	<b>\$ (45,983)</b>	<b>\$ 4,652,546</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued expenses	\$ 279,323	\$ 43,924	\$ 2,451	\$ (45,983)	\$ 279,715
Amounts due to third party payors	57,295	-	-	-	57,295
Operating lease liabilities, current portion	44,314	-	-	-	44,314
Research advances	138,478	-	-	-	138,478
Current portion of long-term debt	6,060	-	-	-	6,060
<b>Total Current Liabilities</b>	<b>525,470</b>	<b>43,924</b>	<b>2,451</b>	<b>(45,983)</b>	<b>525,862</b>
<b>Other Liabilities</b>					
Long-term debt, less current portion	563,469	-	-	-	563,469
Operating lease liabilities, less current portion	339,263	-	-	-	339,263
Other liabilities	135,255	-	-	-	135,255
<b>Total Liabilities</b>	<b>1,563,457</b>	<b>43,924</b>	<b>2,451</b>	<b>(45,983)</b>	<b>1,563,849</b>
<b>Net Assets</b>					
Net assets without donor restriction	1,433,692	(43,867)	1,823	-	1,391,648
Net assets with donor restriction	1,696,974	75	-	-	1,697,049
<b>Total Net Assets</b>	<b>3,130,666</b>	<b>(43,792)</b>	<b>1,823</b>	<b>-</b>	<b>3,088,697</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,694,123</b>	<b>\$ 132</b>	<b>\$ 4,274</b>	<b>\$ (45,983)</b>	<b>\$ 4,652,546</b>



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

**Quarter Ended December 31, 2021**

	Obligated Group	Dana-Farber Cancer Care Network, Inc.	Dana-Farber Global Oncology	Eliminations and Reclassifications	Consolidated
(Dollars in thousands)					
<b>Operating Revenues:</b>					
Net patient service revenues	\$ 439,168	\$ -	\$ -	\$ -	\$ 439,168
Research revenues					
Direct grants and contracts	70,359	-	-	-	70,359
Gift related research revenue	40,182	1	-	-	40,183
Direct research revenues	110,541	1	-	-	110,542
Indirect grants/contracts/gifts	29,610	-	-	-	29,610
Unrestricted contributions and bequests	52,529	-	-	-	52,529
Other operating revenues	8,046	-	647	-	8,693
Total operating revenues	639,894	1	647	-	640,542
<b>Operating expenses:</b>					
Patient service					
Direct patient care	338,717	4	-	-	338,721
Depreciation and amortization	14,327	-	-	-	14,327
Interest	386	-	-	-	386
Total patient service expense	353,430	4	-	-	353,434
Research					
Direct research/restricted gifts	110,541	-	-	-	110,541
Institute supported research	8,890	-	-	-	8,890
Depreciation and amortization	8,942	-	-	-	8,942
Interest	3,339	-	-	-	3,339
Total research expense	131,712	-	-	-	131,712
General and administrative					
General and administrative	106,129	38	91	-	106,258
Depreciation and amortization	2,407	-	-	-	2,407
Interest	299	-	-	-	299
Total general and administrative expense	108,835	38	91	-	108,964
Total Expenses	593,977	42	91	-	594,110
Operating Income/(Loss)	45,917	(41)	556	-	46,432
Investment income, net	34,243	-	-	-	34,243
Pension benefit, excluding service cost	-	-	-	-	-
Royalty income net of expenses	2,689	-	-	-	2,689
Interest rate swap agreement					
Net interest paid	(1,420)	-	-	-	(1,420)
Change in fair value	(906)	-	-	-	(906)
Total interest rate swap agreement	(2,326)	-	-	-	(2,326)
<b>EXCESS/(DEFICIT) OF REVENUES OVER EXPENSES</b>	<b>80,523</b>	<b>(41)</b>	<b>556</b>	<b>-</b>	<b>81,038</b>
<b>Other changes in net assets:</b>					
Net assets released from restriction for capital	-	-	-	-	-
Net unrealized gain on endowment	-	-	-	-	-
Pension adjustment	-	-	-	-	-
Other	-	-	-	-	-
Increase / (decrease) in net assets without donor restrictions	80,523	(41)	556	-	81,038
Increase in net assets with donor restrictions	107,340	-	-	-	107,340
<b>Increase (decrease) in Net Assets</b>	<b>187,863</b>	<b>(41)</b>	<b>556</b>	<b>-</b>	<b>188,378</b>
<b>Net Assets at Beginning of Period</b>	<b>2,942,804</b>	<b>(43,751)</b>	<b>1,266</b>	<b>-</b>	<b>2,900,319</b>
<b>NET ASSETS AT END OF PERIOD</b>	<b>\$ 3,130,667</b>	<b>\$ (43,792)</b>	<b>\$ 1,822</b>	<b>\$ -</b>	<b>\$ 3,088,697</b>