

**This document is dated as of June 9, 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\* Second Quarter Ended March 31, 2023**

**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, Dana-Farber National Workforce, LLC, Mass General Brigham / Dana-Farber International, LLC and Binney Street Capital Fund, LLC. Results for the quarter ended March 31, 2023, 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**

**Second Quarter Ended March 31, 2023**

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

**Operating results:**

For the first six months of fiscal year (“FY”) 2023, DFCI recorded a consolidated excess of revenues over expenses of \$110.3 million, compared to an excess of revenues over expenses of \$90.6 million for the first six months of FY 2022. Income from operations was \$54.3 million, compared to \$54.7 million for the first six months of FY 2022.

**Operating Revenues:**

Total operating revenue for the first six months of FY 2023 was \$1.5 billion, an increase of \$196.9 million, or 15.7 percent, over the same period in FY 2022. Total patient service revenue increased by \$178.0 million, or 19.9 percent as compared to the same period in FY 2022. Management attributes this increase to growth in patient volume and in pharmacy revenue. Direct research revenues related to grants, contracts and gifts increased by \$9.3 million, or 4.2 percent, over the same period in FY 2022. Grants and contracts revenue increased \$11.1 million while gift spending decreased by \$1.8 million. Management attributes these variances from the first six months of 2022 to 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 \$2.7 million, or 4.5 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 \$8.8 million, or 14.5 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 decreased by \$1.9 million, or 7.6 percent, from the same period in FY 2022 primarily due to the difference between \$5.9 million of COVID relief funding received in the first six months of FY 2022 and a one-time \$4.0 million distribution from Dana-Farber Mass General Brigham Cancer Care, Inc. in 2023.

**Operating Expenses:**

Operating expenses of \$1.4 billion increased \$197.2 million, or 16.4 percent over the first six months of FY 2022. Total patient service expenses increased by \$140.5 million, or 19.6 percent from the same period in FY 2022, aligning with patient volume and pharmacy growth. Total research expenses increased by \$11.2 million, or 4.3 percent from the

same period in FY 2022 following research revenue trends. Total general and administrative expenses increased by \$45.5 million, or 20.3 percent, from the same period in FY 2022, due primarily to increases in staffing and related compensation expenses, spending levels on legal and consulting services and a shift of funding for the Longwood Center research facility from gifts to operating expense.

### **Non-operating gains/losses:**

Investment returns, including investment income and realized and unrealized gains or losses, were favorable in the amount of \$60.8 million, or a positive return of 7.2 percent for the first six months of FY 2023 compared to a favorable \$20.4 million, or a positive return of 0.1 percent for the same period in the prior year. The Institute's swap liability increased by \$4.8 million in the first six months of FY 2023 due to a decrease in the 20-year LIBOR rates. In the first six months of FY 2022 the swap liability decreased \$15.2 million, driven by increasing 20-year LIBOR rates.

### **Balance Sheet:**

The Institute's total assets decreased by \$146.6 million, or 3.2 percent, since March 31, 2022, to \$4.5 billion. The decrease is driven primarily by decreases in investments of \$94.4 million, cash and cash equivalents of \$32.0 million, property, plant and equipment of \$37.3 million and contributions receivable (current and long-term) of \$7.1 million, offset by increases in patient accounts receivable of \$33.9 million.

Compared with the same period in FY 2022, net assets without donor restriction increased by \$19.9 million, or 1.4 percent, to \$1.4 billion, reflecting positive operating and philanthropy results. Net assets with donor restriction decreased by \$96.5 million, or 5.8 percent, to \$1.6 billion, primarily due to unfavorable investment returns in the second half of 2022 offset by positive operating and philanthropy results in 2023.

Cash and cash equivalents decreased by \$32.0 million, or 26.5 percent, compared to the second quarter in FY 2022. Management attributes this decrease to transfers to investments of \$83.0 million and the growth in operating expenses. These decreases were partially offset by positive operating and philanthropy results.

Investments decreased by \$94.4 million, or 3.7 percent, compared to the second quarter in FY 2022. Management attributes this decrease to unfavorable investment performance towards the end of FY 2022 offset by transfers from operating cash.

Net patient accounts receivable increased by \$33.9 million, or 16.1 percent, compared to the second 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) decreased by \$7.1 million, or 10.4 percent, compared to the second quarter of FY 2022 as a result of pledge payments.

Research receivables increased by \$4.1 million, or 5.8 percent, compared to the second quarter of FY 2022 due to growth and the timing of receipts related to government grants and clinical trials.

Prepaid expenses and other current assets decreased by \$2.9 million, or 1.5 percent, from the second quarter of FY 2022 driven by decreases in non-patient receivables.

Property, plant, and equipment decreased by \$37.3 million, or 3.8 percent, compared to the second quarter of FY 2022, as depreciation outpaced capital additions.

Other long-term assets decreased by \$2.8 million, or 5.5 percent, compared to the second 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 \$27.0 million, or 9.9 percent, compared to the second 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 originally advanced in April 2020 was fully repaid as of June 30, 2022, with no further repayments owed to Medicare. The decrease was partially offset by \$44.6 million associated with royalty payments received from pharmaceutical companies as a result of licensing arrangements.

Amounts due to third-party payers increased by \$8.5 million, or 18.2 percent, compared to the second quarter of FY 2022 due to the establishment of current year liabilities offset by payment of certain prior year settlements.

Research advances increased by \$11.4 million, or 7.5 percent, compared to the second 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 1.7 percent, compared to the second quarter of FY 2022 due to scheduled payments and bond premium amortization.

Operating lease liabilities (including current portion) decreased by \$7.1 million, or 1.9 percent compared to the second quarter of FY 2022 due to scheduled payments and amortization of real estate and equipment leases exceeding the liability related to new leases.

Other liabilities decreased by \$46.4 million, or 40.9 percent, compared to the second quarter of FY 2022 as a result of an \$18.3 million decrease in the swap liability, and the amortization of deferred revenue related to royalty monetizations in the amount of \$23.7 million.

**Other:**

**Subsequent Event - Legal Settlement**

In April 2023, the Institute, Bristol Myers Squibb Co., and Ono Pharmaceutical Co., Ltd. entered into a global agreement to settle all disputes relating to the Honjo-Freeman Patents, including a June 21, 2019 lawsuit filed by the Institute in the U.S. District Court of Massachusetts. Under the agreement, Bristol Myers Squibb and Ono will make a lump-sum payment to Dana-Farber, with the possibility of additional payments in the future. That lump sum payment was made on May 5, 2023.

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

	As of March 31		As of September 30	
	2023	2022	2022	2021
(Dollars in thousands)				
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 88,837	\$ 120,858	\$ 65,289	\$ 152,196
Patient accounts receivable, net	244,817	210,928	227,873	174,772
Contributions receivable, current portion	143	12,675	16,149	30,856
Royalty receivable	4,900	5,171	3,800	5,171
Assets whose use is limited, current portion	709	726	685	726
Research receivables	75,106	71,007	70,855	72,312
Prepaid expenses and other current assets	190,058	192,979	187,060	163,913
<b>Total Current Assets</b>	<b>604,570</b>	<b>614,344</b>	<b>571,711</b>	<b>599,946</b>
Investments	2,477,467	2,571,820	2,249,079	2,427,986
Right of use assets, net - operating leases	351,349	359,150	369,926	373,687
Property, plant and equipment, net	939,002	976,302	956,609	1,003,676
Contributions receivable, less current portion	61,049	55,631	45,972	45,202
Other assets	48,055	50,831	51,671	53,761
<b>TOTAL ASSETS</b>	<b>\$ 4,481,492</b>	<b>\$ 4,628,078</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	\$ 247,126	\$ 274,155	\$ 232,083	\$ 303,205
Amounts due to third party payors	55,136	46,666	66,421	50,808
Operating lease liabilities	44,482	45,297	46,264	44,871
Research advances	164,810	153,376	153,104	131,127
Current portion of long-term debt	5,941	5,630	6,624	6,257
<b>Total Current Liabilities</b>	<b>517,495</b>	<b>525,124</b>	<b>504,496</b>	<b>536,268</b>
<b>Other Liabilities</b>				
Long-term debt, less current portion	553,088	562,762	559,457	568,526
Operating lease liabilities, less current portion	329,721	336,016	346,764	350,066
Other liabilities	67,194	113,602	74,870	149,079
<b>Total Liabilities</b>	<b>1,467,498</b>	<b>1,537,504</b>	<b>1,485,587</b>	<b>1,603,939</b>
<b>Net Assets</b>				
Net assets without donor restriction	1,432,006	1,412,100	1,320,168	1,310,610
Net assets with donor restriction	1,581,988	1,678,474	1,439,213	1,589,709
<b>Total Net Assets</b>	<b>3,013,994</b>	<b>3,090,574</b>	<b>2,759,381</b>	<b>2,900,319</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,481,492</b>	<b>\$ 4,628,078</b>	<b>\$ 4,244,968</b>	<b>\$ 4,504,258</b>

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

	Quarter Ended		Six Months Ended		Year Ended
	March 31		March 31		September 30
	2023	2022	2023	2022	2022
(Dollars in thousands)					
Operating Revenues:					
Net patient service revenues	\$ 548,363	\$ 454,442	\$ 1,071,652	\$ 893,609	\$ 1,883,616
Research revenues					
Direct grants and contracts	76,224	68,294	149,738	138,653	299,689
Gift related research revenue	41,406	40,091	78,441	80,274	161,546
Direct research revenues	117,630	108,385	228,179	218,927	461,235
Indirect grants/contracts/gifts	31,479	29,799	62,072	59,409	122,885
Unrestricted contributions and bequests	8,705	8,155	69,479	60,684	87,687
Other operating revenues	13,955	15,964	22,793	24,659	54,797
Total operating revenues	720,132	616,745	1,454,175	1,257,288	2,610,220
Operating expenses:					
Patient service					
Direct patient care	424,900	349,948	827,414	688,668	1,458,438
Depreciation and amortization	13,942	15,016	27,883	29,343	56,753
Interest	2,088	344	3,972	730	3,221
Total patient service expense	440,930	365,308	859,269	718,741	1,518,412
Research					
Direct research/restricted gifts	117,631	108,386	228,179	218,927	461,235
Institute supported research	10,082	7,234	18,012	16,124	33,761
Depreciation and amortization	8,850	8,840	17,700	17,782	34,335
Interest	3,392	3,326	6,810	6,665	13,512
Total research expense	139,955	127,786	270,701	259,498	542,843
General and administrative					
General and administrative	133,973	113,290	264,729	219,547	473,683
Depreciation and amortization	2,458	1,845	4,918	4,252	9,268
Interest	108	294	211	593	236
Total general and administrative expense	136,539	115,429	269,858	224,392	483,187
Total expenses	717,424	608,523	1,399,828	1,202,631	2,544,442
Operating income	2,708	8,222	54,347	54,657	65,778
Investment income, net	20,815	(13,869)	60,824	20,374	(110,710)
Pension cost, excluding service cost	-	-	-	-	51
Royalty income net of expenses	3,107	508	667	3,197	3,308
Interest rate swap agreement					
Net interest paid	(264)	(1,392)	(725)	(2,812)	(4,848)
Change in fair value	(3,592)	16,086	(4,820)	15,180	38,290
Total interest rate swap agreement	(3,856)	14,694	(5,545)	12,368	33,442
<b>EXCESS/(DEFICIT) OF REVENUE OVER EXPENSES</b>	22,774	9,555	110,293	90,596	(8,131)
<b>Other changes in net assets:</b>					
Net unrealized gain on endowment	400	-	1,152	-	-
Net assets released from restriction for capital	-	10,832	-	10,829	14,664
Pension adjustment	-	-	-	-	4,981
Other	392	65	392	65	(1,956)
Increase in net assets without donor restrictions	23,566	20,452	111,837	101,490	9,558
Increase/(Decrease) in net assets with donor restrictions	21,545	(18,575)	142,776	88,765	(150,496)
<b>Increase (decrease) in Net Assets</b>	45,111	1,877	254,613	190,255	(140,938)
<b>Net Assets at Beginning of Period</b>	2,968,883	3,088,697	2,759,381	2,900,319	2,900,319
<b>NET ASSETS AT END OF PERIOD</b>	\$ 3,013,994	\$ 3,090,574	\$ 3,013,994	\$ 3,090,574	\$ 2,759,381

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

<b>Asset Allocation Summary</b>	<b>As of</b>		<b>As of</b>	
	<b>March 31</b>		<b>September 30</b>	
(Dollars in Thousands)	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>
U.S. Government Money Market Fund	\$ 7,732	\$ 1,902	\$ 4,341	\$ 5,443
U.S. Government Securities	234,426	228,162	191,703	225,118
U.S. Equity Securities	277	172,602	293	139,925
U.S. Equity Mutual Funds	395,973	234,668	331,634	221,775
International Equity Securities	-	55,454	-	13,623
International Equity Mutual Funds	519,454	470,429	435,050	435,150
Hedge funds and private equity funds*	1,319,605	1,408,603	1,286,058	1,386,952
<b>Total</b>	<b>\$ 2,477,467</b>	<b>\$ 2,571,820</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</b>		<b>As of</b>	
	<b>March 31</b>		<b>September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>
Dana-Farber Portfolio	7.2%	0.1%	-12.8%	36.3%
Investment Committee Custom Benchmark*	6.6%	1.5%	-10.3%	31.5%
S&P 500	15.6%	5.9%	-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 March 31</b>		<b>As of September 30</b>	
(Dollars in Thousands)	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>
<b>Long-Term Debt</b>				
Series L Bonds	\$ 92,108	\$ 92,091	\$ 92,099	\$ 91,666
Series M Bonds	50,559	50,505	50,532	50,479
Series N Bonds	268,286	270,069	269,186	270,937
Series O Bonds	36,122	41,965	41,387	47,083
Series P Bonds	92,500	92,500	92,500	92,500
South Shore lease obligation	15,102	16,122	15,620	16,605
Milford lease obligation	4,351	5,139	4,756	5,513
<b>Total Long-Term Debt</b>	<b>559,028</b>	<b>568,391</b>	<b>566,081</b>	<b>574,783</b>
<b>Net assets without donor restriction<sup>1</sup></b>	<b>1,425,620</b>	<b>1,453,297</b>	<b>1,359,023</b>	<b>1,353,170</b>
<b>Total Capitalization</b>	<b>\$ 1,984,648</b>	<b>\$ 2,021,688</b>	<b>\$ 1,925,104</b>	<b>\$ 1,927,953</b>
<b>Total Long-Term Debt as a Percent of Total Capitalization</b>	<b>28.2%</b>	<b>28.1%</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>March 31</b>		<b>September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>
Total Unrestricted Cash Position <sup>1</sup>	\$ 1,543,399	\$ 1,640,267	\$ 1,428,292	\$ 1,601,925
Average Daily Expenses <sup>2</sup>	7,413	6,324	6,695	5,790
<b>Days Cash On-Hand</b>	<b>208</b>	<b>259</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>Quarter Ended</b>		<b>Year Ended</b>	
	<b>March 31</b>		<b>September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>
Income Available for Debt Service	193,867	266,030	215,787	251,982
Actual Historical Annual Debt Service	29,188	27,972	27,969	27,020
<b>Actual Historical Debt Service Coverage Ratio</b>	<b>6.64</b>	<b>9.51</b>	<b>7.72</b>	<b>9.33</b>
Income Available for Debt Service	193,867	266,030	215,787	251,982
Pro Forma Maximum Annual Debt Service <sup>1</sup>	37,014	35,820	36,040	35,834
<b>Pro Forma Maximum Debt Service Coverage Ratio</b>	<b>5.24</b>	<b>7.43</b>	<b>5.99</b>	<b>7.03</b>

The decrease from March 31, 2022 to March 31, 2023 in debt service coverage ratio is primarily driven by the decrease in Institute's investment returns.

<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 & P variable rate bonds is 3.23% and 1.05% for March 31, 2023 and 2022, respectively.

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

	Quarter Ended March 31		Six Months Ended March 31		Year Ended September 30	
	2023	2022	2023	2022	2022	2021
<b>OUTPATIENT STATISTICS</b>						
MD Clinic visits <sup>(1)</sup>	96,512	90,450	189,763	181,989	368,976	364,577
Infusion visits <sup>(1)</sup>	53,325	48,745	105,115	98,278	201,477	188,242
<b>ANCILLARY STATISTICS</b> (units of service)						
Laboratories	404,586	390,892	803,458	794,416	1,627,163	1,470,073
Blood Bank	21,719	19,289	43,004	40,542	81,068	82,716
Pharmacy <sup>(1)(2)</sup>	\$ 260,773,089	\$ 206,283,366	\$ 506,405,163	\$ 409,587,979	\$ 882,043,574	\$ 703,128,777
PET Scans	2,195	1,675	4,035	3,485	7,194	6,381
Diagnostic Radiology	6,515	6,067	13,632	12,894	25,155	22,665
Ultrasound	805	640	1,523	1,240	2,719	2,215
Nuclear Medicine	752	723	1,474	1,454	2,484	2,557
MRI	3,896	3,561	7,836	7,151	14,635	11,728
CT Scans	11,565	10,633	22,762	20,815	43,277	37,945
Radiation Therapy	9,872	11,259	19,707	22,604	43,371	42,282
Respiratory Therapy/EKG (Treatments)	6,409	5,451	12,622	10,845	21,569	21,154
<b>INPATIENT STATISTICS</b>						
Licensed Beds	30	30	30	30	30	30
Total Admissions	295	335	610	666	1,288	1,436
ALOS	8.82	7.41	8.33	7.47	7.47	6.91
Total Patient Days	2,619	2,422	5,160	4,837	9,559	10,014
Occupancy Rate	97.3%	89.9%	94.9%	88.9%	87.8%	91.9%

**Source: Institute Records**

<sup>1</sup> FY 2021 results include 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-Mar</b>			
	<b>Inpatient</b>		<b>Outpatient</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Percentage Gross Revenues</b>				
Medicare	48%	51%	48%	45%
Medicaid	11%	8%	8%	8%
Other	23%	24%	23%	23%
Blue Cross	18%	17%	20%	23%
Self-Pay	0%	0%	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

	<b>Six Month Ended 31-Mar</b>			
	<b>Inpatient</b>		<b>Outpatient</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Percentage Gross Revenues</b>				
Medicare	47%	50%	47%	46%
Medicaid	9%	8%	8%	7%
Other	22%	26%	23%	24%
Blue Cross	22%	16%	21%	22%
Self-Pay	0%	0%	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

	<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%
Other	27%	19%	23%	25%
Blue Cross	17%	23%	22%	21%
Self-Pay	1%	0%	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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

(Dollars in thousands)	Quarter Ended		Six Months Ended		Year Ended	
	March 31		March 31		September 30	
	2023	2022	2023	2022	2022	2021
<b>Philanthropy</b>						
Unrestricted Gifts	\$ 8,705	\$ 8,155	\$ 69,479	\$ 60,684	\$ 87,687	\$ 81,979
Restricted Gifts	45,135	108,539	146,001	201,482	323,412	278,726
<b>Total Philanthropy</b>	<b>\$ 53,840</b>	<b>\$ 116,694</b>	<b>\$ 215,480</b>	<b>\$ 262,166</b>	<b>\$ 411,098</b>	<b>\$ 360,705</b>
<b>Related Direct Expenses</b>	<b>\$ 13,287</b>	<b>\$ 12,112</b>	<b>\$ 24,620</b>	<b>\$ 21,872</b>	<b>\$ 47,710</b>	<b>\$ 41,938</b>
<b>Direct Fundraising Expenses as of % Philanthropy</b>	25%	10%	11%	8%	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.

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

As of March 31, 2023

(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	\$ 83,133	\$ -	\$ 5,704	\$ -	\$ 88,837
Patient accounts receivable, net	244,817	-	-	-	244,817
Contributions receivable, current portion	143	-	-	-	143
Royalty receivable	4,900	-	-	-	4,900
Assets whose use is limited, current portion	709	-	-	-	709
Research receivables	75,106	-	-	-	75,106
Prepaid expenses and other current assets	191,958	-	2,715	(4,615)	190,058
<b>Total Current Assets</b>	<b>600,766</b>	<b>-</b>	<b>8,419</b>	<b>(4,615)</b>	<b>604,570</b>
Investments	2,477,467	-	-	-	2,477,467
Right of use assets, net - operating leases	351,349	-	-	-	351,349
Property, plant and equipment, net	939,002	-	-	-	939,002
Contributions receivable, less current portion	61,049	-	-	-	61,049
Other assets	46,027	2,028	-	-	48,055
<b>TOTAL ASSETS</b>	<b>\$ 4,475,660</b>	<b>\$ 2,028</b>	<b>\$ 8,419</b>	<b>\$ (4,615)</b>	<b>\$ 4,481,492</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued expenses	\$ 247,126	\$ 2,028	\$ 2,587	\$ (4,615)	\$ 247,126
Amounts due to third party payors	55,136	-	-	-	55,136
Operating lease liabilities, current portion	44,482	-	-	-	44,482
Research advances	164,810	-	-	-	164,810
Current portion of long-term debt	5,941	-	-	-	5,941
<b>Total Current Liabilities</b>	<b>517,495</b>	<b>2,028</b>	<b>2,587</b>	<b>(4,615)</b>	<b>517,495</b>
<b>Other Liabilities</b>					
Long-term debt, less current portion	553,088	-	-	-	553,088
Operating lease liabilities, less current portion	329,721	-	-	-	329,721
Other liabilities	67,194	-	-	-	67,194
<b>Total Liabilities</b>	<b>1,467,498</b>	<b>2,028</b>	<b>2,587</b>	<b>(4,615)</b>	<b>1,467,498</b>
<b>Net Assets</b>					
Net assets without donor restriction	1,426,174	-	5,832	-	1,432,006
Net assets with donor restriction	1,581,988	-	-	-	1,581,988
<b>Total Net Assets</b>	<b>3,008,162</b>	<b>-</b>	<b>5,832</b>	<b>-</b>	<b>3,013,994</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,475,660</b>	<b>\$ 2,028</b>	<b>\$ 8,419</b>	<b>\$ (4,615)</b>	<b>\$ 4,481,492</b>

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

Six Months Ended March 31, 2023

(Dollars in thousands)	Obligated Group	Dana-Farber Cancer Care Network, Inc.	Dana-Farber Global Oncology	Eliminations and Reclassifications	Consolidated
<b>Operating Revenues:</b>					
Net patient service revenues	\$ 1,071,652	\$ -	\$ -	\$ -	\$ 1,071,652
<b>Research revenues</b>					
Direct grants and contracts	149,738	-	-	-	149,738
Gift related research revenue	78,441	-	-	-	78,441
Direct research revenues	228,179	-	-	-	228,179
Indirect grants/contracts/gifts	62,072	-	-	-	62,072
Unrestricted contributions and bequests	69,479	-	-	-	69,479
Other operating revenues	21,948	-	845	-	22,793
Total operating revenues	1,453,330	-	845	-	1,454,175
<b>Operating expenses:</b>					
<b>Patient service</b>					
Direct patient care	827,414	-	-	-	827,414
Depreciation and amortization	27,883	-	-	-	27,883
Interest	3,972	-	-	-	3,972
Total patient service expense	859,269	-	-	-	859,269
<b>Research</b>					
Direct research/restricted gifts	228,179	-	-	-	228,179
Institute supported research	18,012	-	-	-	18,012
Depreciation and amortization	17,700	-	-	-	17,700
Interest	6,810	-	-	-	6,810
Total research expense	270,701	-	-	-	270,701
<b>General and administrative</b>					
General and administrative	264,619	-	110	-	264,729
Depreciation and amortization	4,918	-	-	-	4,918
Interest	211	-	-	-	211
Total general and administrative expense	269,748	-	110	-	269,858
Total Expenses	1,399,718	-	110	-	1,399,828
Operating income	53,612	-	735	-	54,347
Investment income, net	60,824	-	-	-	60,824
Net periodic pension cost, excluding service cost	-	-	-	-	-
Royalty income net of expenses	667	-	-	-	667
Interest rate swap agreement					
Net interest paid	(725)	-	-	-	(725)
Change in fair value	(4,820)	-	-	-	(4,820)
Total interest rate swap agreement	(5,545)	-	-	-	(5,545)
<b>EXCESS OF REVENUES OVER EXPENSES</b>	109,558	-	735	-	110,293
<b>Other changes in net assets:</b>					
Net unrealized gain on endowment	1,152	-	-	-	1,152
Net assets released from restriction for capital	-	-	-	-	-
Other	(43,560)	43,952	-	-	392
Increase in net assets without donor restrictions	67,150	43,952	735	-	111,837
Increase in net assets with donor restrictions	142,776	-	-	-	142,776
<b>Increase in Net Assets</b>	209,926	43,952	735	-	254,613
<b>Net Assets at Beginning of Period</b>	2,798,236	(43,952)	5,097	-	2,759,381
<b>NET ASSETS AT END OF PERIOD</b>	\$ 3,008,162	\$ -	\$ 5,832	\$ -	\$ 3,013,994

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

Quarter Ended March 31, 2023

(Dollars in thousands)	Obligated Group	Dana-Farber Cancer Care Network, Inc.	Dana-Farber Global Oncology	Eliminations and Reclassifications	Consolidated
Operating Revenues:					
Net patient service revenues	\$ 548,363	\$ -	\$ -	\$ -	\$ 548,363
Research revenues					
Direct grants and contracts	76,224	-	-	-	76,224
Gift related research revenue	41,406	-	-	-	41,406
Direct research revenues	<u>117,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,630</u>
Indirect grants/contracts/gifts	31,479	-	-	-	31,479
Unrestricted contributions and bequests	8,705	-	-	-	8,705
Other operating revenues	13,540	-	415	-	13,955
Total operating revenues	<u>719,717</u>	<u>-</u>	<u>415</u>	<u>-</u>	<u>720,132</u>
Operating expenses:					
Patient service					
Direct patient care	424,900	-	-	-	424,900
Depreciation and amortization	13,942	-	-	-	13,942
Interest	2,088	-	-	-	2,088
Total patient service expense	<u>440,930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>440,930</u>
Research					
Direct research/restricted gifts	117,631	-	-	-	117,631
Institute supported research	10,082	-	-	-	10,082
Depreciation and amortization	8,850	-	-	-	8,850
Interest	3,392	-	-	-	3,392
Total research expense	<u>139,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,955</u>
General and administrative					
General and administrative	133,890	-	83	-	133,973
Depreciation and amortization	2,458	-	-	-	2,458
Interest	108	-	-	-	108
Total general and administrative expense	<u>136,456</u>	<u>-</u>	<u>83</u>	<u>-</u>	<u>136,539</u>
Total Expenses	<u>717,341</u>	<u>-</u>	<u>83</u>	<u>-</u>	<u>717,424</u>
Operating income	<u>2,376</u>	<u>-</u>	<u>332</u>	<u>-</u>	<u>2,708</u>
Investment income, net	20,815	-	-	-	20,815
Pension cost, excluding service cost	-	-	-	-	-
Royalty income net of expenses	3,107	-	-	-	3,107
Interest rate swap agreement					
Net interest paid	(264)	-	-	-	(264)
Change in fair value	(3,592)	-	-	-	(3,592)
Total interest rate swap agreement	<u>(3,856)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,856)</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>22,442</u>	<u>-</u>	<u>332</u>	<u>-</u>	<u>22,774</u>
<b>Other changes in net assets:</b>					
Net unrealized gain on endowment	400	-	-	-	400
Net assets released from restriction for capital	-	-	-	-	-
Other	(43,560)	43,952	-	-	392
Increase/(decrease) in net assets without donor restrictions	<u>(20,718)</u>	<u>43,952</u>	<u>332</u>	<u>-</u>	<u>23,566</u>
Increase in net assets with donor restrictions	21,545	-	-	-	21,545
<b>Increase in Net Assets</b>	<u>827</u>	<u>43,952</u>	<u>332</u>	<u>-</u>	<u>45,111</u>
<b>Net Assets at Beginning of Period</b>	<u>3,007,335</u>	<u>(43,952)</u>	<u>5,500</u>	<u>-</u>	<u>2,968,883</u>
<b>NET ASSETS AT END OF PERIOD</b>	<u>\$ 3,008,162</u>	<u>\$ -</u>	<u>\$ 5,832</u>	<u>\$ -</u>	<u>\$ 3,013,994</u>



**Consolidating Balance Sheet**
**As of March 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	\$ 116,648	\$ 164	\$ 4,046	\$ -	\$ 120,858
Patient accounts receivable, net	210,928	-	-	-	210,928
Contributions receivable, current portion	12,675	-	-	-	12,675
Royalty receivable	5,171	-	-	-	5,171
Assets whose use is limited, current portion	726	-	-	-	726
Research receivables	71,007	-	-	-	71,007
Prepaid expenses and other current assets	240,022	-	1,056	(48,099)	192,979
<b>Total Current Assets</b>	<b>657,177</b>	<b>164</b>	<b>5,102</b>	<b>(48,099)</b>	<b>614,344</b>
Investments	2,571,820	-	-	-	2,571,820
Right of use assets, net - operating leases	359,150	-	-	-	359,150
Property, plant and equipment, net	976,302	-	-	-	976,302
Contributions receivable, less current portion	55,631	-	-	-	55,631
Other assets	48,803	2,028	-	-	50,831
<b>TOTAL ASSETS</b>	<b>\$ 4,668,883</b>	<b>\$ 2,192</b>	<b>\$ 5,102</b>	<b>\$ (48,099)</b>	<b>\$ 4,628,078</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued expenses	\$ 273,763	\$ 46,088	\$ 2,403	\$ (48,099)	\$ 274,155
Amounts due to third party payors	46,666	-	-	-	46,666
Operating lease liabilities, current portion	45,297	-	-	-	45,297
Research advances	153,376	-	-	-	153,376
Current portion of long-term debt	5,630	-	-	-	5,630
<b>Total Current Liabilities</b>	<b>524,732</b>	<b>46,088</b>	<b>2,403</b>	<b>(48,099)</b>	<b>525,124</b>
<b>Other Liabilities</b>					
Long-term debt, less current portion	562,762	-	-	-	562,762
Operating lease liabilities, less current portion	336,016	-	-	-	336,016
Other Liabilities	113,602	-	-	-	113,602
<b>Total Liabilities</b>	<b>1,537,112</b>	<b>46,088</b>	<b>2,403</b>	<b>(48,099)</b>	<b>1,537,504</b>
<b>Net Assets</b>					
Net assets without donor restriction	1,453,297	(43,896)	2,699	-	1,412,100
Net assets with donor restriction	1,678,474	-	-	-	1,678,474
<b>Total Net Assets</b>	<b>3,131,771</b>	<b>(43,896)</b>	<b>2,699</b>	<b>-</b>	<b>3,090,574</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,668,883</b>	<b>\$ 2,192</b>	<b>\$ 5,102</b>	<b>\$ (48,099)</b>	<b>\$ 4,628,078</b>

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

Six Months Ended March 31, 2022

(Dollars in thousands)

	Obligated Group	Dana-Farber Cancer Care Network, Inc.	Dana-Farber Global Oncology	Eliminations and Reclassifications	Consolidated
Operating Revenues:					
Net patient service revenues	\$ 893,609	\$ -	\$ -	\$ -	\$ 893,609
Research revenues					
Direct grants and contracts	138,653	-	-	-	138,653
Gift related research revenue	80,274	-	-	-	80,274
Direct research revenues	218,927	-	-	-	218,927
Indirect grants/contracts/gifts	59,409	-	-	-	59,409
Unrestricted contributions and bequests	60,684	-	-	-	60,684
Other operating revenues	23,045	-	1,614	-	24,659
Total operating revenues	1,255,674	-	1,614	-	1,257,288
Operating expenses:					
Patient service					
Direct patient care	688,669	(1)	-	-	688,668
Depreciation and amortization	29,343	-	-	-	29,343
Interest	730	-	-	-	730
Total patient service expense	718,742	(1)	-	-	718,741
Research					
Direct research/restricted gifts	218,927	-	-	-	218,927
Institute supported research	16,124	-	-	-	16,124
Depreciation and amortization	17,782	-	-	-	17,782
Interest	6,665	-	-	-	6,665
Total research expense	259,498	-	-	-	259,498
General and administrative					
General and administrative	219,296	71	180	-	219,547
Depreciation and amortization	4,252	-	-	-	4,252
Interest	593	-	-	-	593
Total general and administrative expense	224,141	71	180	-	224,392
Total Expenses	1,202,381	70	180	-	1,202,631
Operating income/(loss)	53,293	(70)	1,434	-	54,657
Investment income, net	20,374	-	-	-	20,374
Net periodic pension cost, excluding service cost	-	-	-	-	-
Royalty income net of expenses	3,197	-	-	-	3,197
Interest rate swap agreement					
Net interest paid	(2,812)	-	-	-	(2,812)
Change in fair value	15,180	-	-	-	15,180
Total interest rate swap agreement	12,368	-	-	-	12,368
<b>EXCESS/(DEFICIT) OF REVENUES OVER EXPENSES</b>	89,232	(70)	1,434	-	90,596
<b>Other changes in net assets:</b>					
Net assets released from restriction for capital	10,829	-	-	-	10,829
Pension adjustment	65	-	-	-	65
Other	-	-	-	-	-
Increase/(decrease) in net assets without donor restrictions	100,126	(70)	1,434	-	101,490
Increase/(decrease) in net assets with donor restrictions	88,840	(75)	-	-	88,765
<b>Increase/(decrease) in Net Assets</b>	188,966	(145)	1,434	-	190,255
<b>Net Assets at Beginning of Period</b>	2,942,804	(43,751)	1,266	-	2,900,319
<b>NET ASSETS AT END OF PERIOD</b>	\$ 3,131,770	\$ (43,896)	\$ 2,700	\$ -	\$ 3,090,574

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

Quarter Ended March 31, 2022

(Dollars in thousands)	Obligated Group	Dana-Farber Cancer Care Network, Inc.	Dana-Farber Global Oncology	Eliminations and Reclassifications	Consolidated
Operating Revenues:					
Net patient service revenues	\$ 454,442	\$ -	\$ -	\$ -	\$ 454,442
Research revenues					
Direct grants and contracts	68,294	-	-	-	68,294
Gift related research revenue	40,092	(1)	-	-	40,091
Direct research revenues	108,386	(1)	-	-	108,385
Indirect grants/contracts/gifts	29,799	-	-	-	29,799
Unrestricted contributions and bequests	8,155	-	-	-	8,155
Other operating revenues	14,997	-	967	-	15,964
Total operating revenues	615,779	(1)	967	-	616,745
Operating expenses:					
Patient service					
Direct patient care	349,952	(4)	-	-	349,948
Depreciation and amortization	15,016	-	-	-	15,016
Interest	344	-	-	-	344
Total patient service expense	365,312	(4)	-	-	365,308
Research					
Direct research/restricted gifts	108,386	-	-	-	108,386
Institute supported research	7,234	-	-	-	7,234
Depreciation and amortization	8,840	-	-	-	8,840
Interest	3,326	-	-	-	3,326
Total research expense	127,786	-	-	-	127,786
General and administrative					
General and administrative	113,166	34	90	-	113,290
Depreciation and amortization	1,845	-	-	-	1,845
Interest	294	-	-	-	294
Total general and administrative expense	115,305	34	90	-	115,429
Total Expenses	608,403	30	90	-	608,523
Operating income/(loss)	7,376	(31)	877	-	8,222
Investment income, net	(13,869)	-	-	-	(13,869)
Pension cost, excluding service cost	-	-	-	-	-
Royalty income net of expenses	508	-	-	-	508
Interest rate swap agreement					
Net interest paid	(1,392)	-	-	-	(1,392)
Change in fair value	16,086	-	-	-	16,086
Total interest rate swap agreement	14,694	-	-	-	14,694
<b>EXCESS/(DEFICIT) OF REVENUES OVER EXPENSES</b>	8,709	(31)	877	-	9,555
<b>Other changes in net assets:</b>					
Net assets released from restriction for capital	10,832	-	-	-	10,832
Pension adjustment	65	-	-	-	65
Other	-	-	-	-	-
Increase/(decrease) in net assets without donor restrictions	19,606	(31)	877	-	20,452
Decrease in net assets with donor restrictions	(18,500)	(75)	-	-	(18,575)
<b>Increase/(decrease) in Net Assets</b>	1,106	(106)	877	-	1,877
<b>Net Assets at Beginning of Period</b>	3,130,666	(43,791)	1,822	-	3,088,697
<b>NET ASSETS AT END OF PERIOD</b>	\$ 3,131,772	\$ (43,897)	\$ 2,699	\$ -	\$ 3,090,574