



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

Auditors' Reports as Required by Title 2 U.S. Code of Federal  
Regulations Part 200, *Uniform Administrative Requirements, Cost  
Principles, and Audit Requirements for Federal Awards and Government  
Auditing Standards* and Related Information

Year ended September 30, 2023

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

Auditors' Reports as Required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *Government Auditing Standards* and Related Information

Year ended September 30, 2023

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KPMG LLP  
Two Financial Center  
60 South Street  
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## Independent Auditors' Report

The Board of Trustees  
Dana-Farber Cancer Institute, Inc.:

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of Dana-Farber Cancer Institute, Inc. and its subsidiaries (the Institute), which comprise the consolidated balance sheets as of September 30, 2023 and 2022, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Institute as of September 30, 2023, and 2022 and the results of its operations and changes in its net assets, and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinion*

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

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

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

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

#### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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



substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for a reasonable period of time.

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

#### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating balance sheets and consolidating statements of operations are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS and *Government Auditing Standards*. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2024 on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Institute's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Institute's internal control over financial reporting and compliance.

**KPMG LLP**

Boston, Massachusetts  
January 19, 2024

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

Consolidated Balance Sheets

September 30, 2023 and 2022

(In thousands)

<b>Assets</b>	<b>2023</b>	<b>2022</b>
Current assets:		
Cash and cash equivalents	\$ 89,330	65,289
Patient accounts receivable, net	262,344	227,873
Contributions receivable, current portion	41,635	16,149
Research receivables	80,460	70,855
Prepaid expenses and other current assets	233,790	191,545
Total current assets	707,559	571,711
Investments	2,664,187	2,249,079
Right of use assets, net – operating leases	335,097	369,926
Property, plant, and equipment, net	933,281	956,609
Contributions receivable, less current portion	45,108	45,972
Other assets	47,061	51,671
Total assets	\$ <u>4,732,293</u>	<u>4,244,968</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 171,482	189,166
Accrued payroll, payroll taxes, and amounts withheld from employee compensation	38,448	42,917
Current portion of long-term debt and finance leases	6,979	6,624
Amounts due to third-party payors	57,105	66,421
Operating lease liabilities, current portion	48,066	46,264
Research advances	148,873	153,104
Total current liabilities	470,953	504,496
Other liabilities:		
Long-term debt and finance leases, less current portion	549,720	559,457
Operating lease liabilities, less current portion	310,899	346,764
Other	40,146	74,870
Total liabilities	1,371,718	1,485,587
Net assets:		
Without donor restrictions	1,735,209	1,320,168
With donor restrictions	1,625,366	1,439,213
Total net assets	3,360,575	2,759,381
Total liabilities and net assets	\$ <u>4,732,293</u>	<u>4,244,968</u>

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Operations and Changes in Net Assets

Years ended September 30, 2023 and 2022

(In thousands)

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Net patient service revenue	\$ 2,258,328	1,883,616
Research revenues	668,781	584,120
Unrestricted contributions and bequests	97,813	87,687
Other operating revenues	<u>74,084</u>	<u>54,797</u>
Total operating revenues	<u>3,099,006</u>	<u>2,610,220</u>
Operating expenses:		
Patient service:		
Direct patient care	1,765,122	1,458,438
Depreciation and amortization	51,691	56,753
Interest	<u>7,981</u>	<u>3,221</u>
Total patient service expenses	<u>1,824,794</u>	<u>1,518,412</u>
Research:		
Direct research/restricted gifts	535,270	461,235
Institute supported research	33,426	33,761
Depreciation and amortization	33,565	34,335
Interest	<u>13,482</u>	<u>13,512</u>
Total research expenses	<u>615,743</u>	<u>542,843</u>
General and administrative:		
General and administrative	538,872	473,683
Depreciation and amortization	9,582	9,268
Interest	<u>412</u>	<u>236</u>
Total general and administrative expenses	<u>548,866</u>	<u>483,187</u>
Total operating expenses	<u>2,989,403</u>	<u>2,544,442</u>
Operating income	<u>109,603</u>	<u>65,778</u>
Non operating gains/(losses):		
Investment gains (losses), net	73,071	(110,710)
Royalty income, net of expenses	215,380	3,308
Net periodic pension benefit, excluding service cost	713	51
Interest rate swap agreements:		
Net interest paid	(937)	(4,848)
Change in fair value	<u>8,827</u>	<u>38,290</u>
Total non operating gains (losses)	<u>297,054</u>	<u>(73,909)</u>
Excess (deficit) of revenues over expenses	<u>\$ 406,657</u>	<u>(8,131)</u>

See accompanying notes to consolidated financial statements.

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

## Consolidated Statements of Operations and Changes in Net Assets

Years ended September 30, 2023 and 2022

(In thousands)

	<b>2023</b>	<b>2022</b>
Net assets without donor restrictions:		
Excess (deficit) of revenues over expenses	\$ 406,657	(8,131)
Net assets released from restrictions for capital	5,931	14,664
Pension changes other than periodic costs	764	4,981
Other	1,689	(1,956)
	<u>415,041</u>	<u>9,558</u>
Increase in net assets without donor restrictions	<u>415,041</u>	<u>9,558</u>
Net assets with donor restrictions:		
Contributions revenue, net of provision for uncollectible pledges	204,945	184,523
Interest and dividend income, net of fees	9,073	(7,868)
Realized and unrealized gains (losses) on investments, net	124,162	(172,619)
Net assets released from restrictions for capital	(5,931)	(14,664)
Net assets released from restrictions for operations	(143,352)	(139,883)
Transfers (to) from other institutions	(2,744)	15
	<u>186,153</u>	<u>(150,496)</u>
Increase (decrease) in net assets with donor restrictions	<u>186,153</u>	<u>(150,496)</u>
Increase (decrease) in net assets	601,194	(140,938)
Net assets at beginning of year	<u>2,759,381</u>	<u>2,900,319</u>
Net assets at end of year	<u>\$ 3,360,575</u>	<u>2,759,381</u>

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Cash Flows

Years ended September 30, 2023 and 2022

(In thousands)

	<u>2023</u>	<u>2022</u>
Operating activities:		
Increase (decrease) in net assets	\$ 601,194	(140,938)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	94,838	100,356
Net realized and unrealized (gains) losses on investments	(199,108)	278,390
Pension changes other than periodic costs	(764)	(4,981)
Contributions received, restricted for long term purposes	(23,844)	(36,847)
Changes in operating right-of-use assets and lease liabilities, net	766	1,852
Transfers to (from) other institutions	2,744	(15)
Changes in certain elements of working capital:		
Patient accounts receivable, net	(34,471)	(53,101)
Research receivables net of research advances	(13,836)	23,434
Prepaid expenses and other current assets	(42,196)	(21,776)
Other assets and liabilities	(53,972)	(66,498)
Accounts payable and accrued expenses, including employee compensation	(20,222)	(71,372)
Amounts due to third-party payors	(9,316)	15,613
Net cash provided by operating activities	<u>301,813</u>	<u>24,117</u>
Investing activities:		
Additions to property, plant, and equipment, net	(76,199)	(56,123)
Purchases of investments	(1,114,962)	(805,141)
Proceeds from sales of investments	898,962	705,658
Changes in assets whose use is limited	(49)	40
Net cash used in investing activities	<u>(292,248)</u>	<u>(155,566)</u>
Financing activities:		
Payments on long-term debt	(4,745)	(4,515)
Payments on finance lease obligations	(1,879)	(1,742)
Contributions received, restricted for long term purposes	23,844	50,784
Transfers (to) from other institutions	(2,744)	15
Net cash provided by financing activities	<u>14,476</u>	<u>44,542</u>
Increase (decrease) in cash and cash equivalents	24,041	(86,907)
Cash and cash equivalents at beginning of year	<u>65,289</u>	<u>152,196</u>
Cash and cash equivalents at end of year	\$ <u>89,330</u>	\$ <u>65,289</u>
Noncash investing activities:		
Change in construction in progress included in accounts payable and accrued expenses	\$ (1,931)	250

See accompanying notes to consolidated financial statements.



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

Notes to Consolidated Financial Statements

September 30, 2023 and 2022

(Dollar amounts in thousands)

### (1) Corporate Organization

Dana-Farber Cancer Institute, Inc. (the Institute) is a comprehensive cancer center dedicated to basic and clinical cancer research and treatment. The Institute primarily serves patients in the New England region. Dana-Farber, Inc. is a controlled affiliate of the Institute, and is responsible for its investment management activities. In August 2003, the Institute formed the Dana-Farber Trust, Inc. for the purpose of acquiring, holding, developing, managing, maintaining, or disposing of real and personal property for the benefit of the Institute and its affiliated organizations. On July 1, 2014, the Institute acquired Commonwealth Hematology-Oncology (CHO) physician practice, the largest community-based cancer care program in New England with eight sites located throughout eastern Massachusetts. CHO sites operated as Dana-Farber Cancer Care Network, Inc. (DFCCN) physician practices. In April 2021, the Institute closed the remaining site located in Weymouth, Massachusetts, staff and most patients transferred to the Institute. In April 2019, the Institute created Dana-Farber Global Oncology, Inc. (DFGO), an LLC whose sole member is the Institute, through which the Institute is engaging in work in China. In September 2020, the Institute established a wholly owned subsidiary, Binney Street Capital, to advance the Institute's mission to develop novel therapies, improve patient outcomes, and to provide access to under-served communities while generating a new revenue stream.

The Institute's inpatient hospital is physically located within the Brigham & Women's Hospital, Inc. (BWH). The Institute reimburses BWH for related patient care expenses. Net patient service revenue related to the inpatient hospital was \$42,568 and \$39,137 in 2023 and 2022, respectively.

The Institute, BWH, The General Hospital Corporation (the General) and Mass General Brigham, Inc. (MGB; formerly known as Partners HealthCare System, Inc.) have formed Dana-Farber/Mass General Brigham CancerCare, Inc. (DF/MGBCC; formerly known as Dana-Farber/Partners CancerCare, Inc.), a not-for-profit corporation. During the years ended September 30, 2023 and 2022, DF/MGBCC provided the Institute with \$56,496 and \$50,144, respectively, in research funding. Among its roles, DF/MGBCC is responsible for the management of cancer-related clinical trials at the Institute, BWH and the General. The Institute, BWH, and the General provide DF/MGBCC with funds to meet its annual operating and capital needs. At present, the Institute's portion of these funds is not material to the consolidated financial statements. In December 2021, the Institute, with Mass General Brigham, Inc; has formed Mass General Brigham/Dana-Farber International LLC (MGB/DF), a Delaware limited liability company, that's principal business activity will be health care education for international partnerships. In November 2022, the Institute made a non-controlling minority investment in Defiant, Inc., a healthcare service company building a symptom management tool for use by oncology clinicians and cancer patients. In January 2023, the Institute formed a wholly-owned subsidiary Dana-Farber National Workforce, LLC; there has been no activity in this entity to date.

On September 13, 2023, the Institute entered into contractual commitments with Beth Israel Lahey Health (BILH) and related entities contemplating a broad clinical collaboration to provide coordinated, complementary clinical services to adult cancer patients through clinicians and facilities located in the Longwood and Chestnut Hill areas of the City of Boston (the Clinical Collaboration). In connection with the Clinical Collaboration, the Institute proposes to construct, own and operate a 300-bed, 14-story cancer specialty hospital (the New Cancer Hospital) above a base structure to be owned by a BILH affiliate. Construction of the New Cancer Hospital and related structures and implementation of the Clinical Collaboration are each subject to preconditions including regulatory review by and approval of local, state

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

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and federal authorities. On October 24, 2023, subsequent to the Institute's fiscal year end, the Institute submitted an application to the Massachusetts Department of Public Health requesting a determination of need approving expenditure of \$1.68 billion to construct and equip the New Cancer Hospital. The application remains pending.

### (2) Summary of Significant Accounting Policies

#### (a) *Basis of Presentation*

The consolidated financial statements include the accounts of Dana-Farber Cancer Institute, Inc.; Dana-Farber Cancer Care Network, Inc.; Dana-Farber Global Oncology, Inc.; Dana-Farber, Inc.; and Dana-Farber Trust, Inc. (collectively, the Institute). Intercompany balances and transactions have been eliminated in consolidation. The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) applied on a basis consistent with that of the 2022 audited consolidated financial statements of the Institute.

#### (b) *Reclassifications*

The Institute has reclassified certain amounts to its prior period results to conform to its current period presentation. These reclassifications have not changed the results of operations of prior periods.

#### (c) *Use of Estimates*

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

#### (d) *Cash Equivalents*

The Institute considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Short-term highly liquid investments held within the endowment and similar investment pools are classified as investments rather than cash equivalents for purposes of the consolidated statements of cash flows.

#### (e) *Investments*

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets, with investment gains or losses (including realized and unrealized gains and losses on investments, interest, and dividends) included in the excess of revenues over expenses, unless restricted by donor or law.

Hedge funds and private equity funds consist of investments in limited partnerships and limited liability companies. The Institute accounts for investments in certain U.S. equity funds, hedge funds and private equity funds at fair value, using the net asset value of each fund as a practical expedient, and reports its share of the increase or decrease in the fund's value as investment gain or loss included in the excess of revenues over expenses, unless restricted by donor or law. Carrying values for hedge funds and private equity funds are determined based upon information from the funds' General Partners. The General Partners' estimates and assumptions of fair values of nonmarketable investments may differ significantly from the values that would have been used had a ready market

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

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(Dollar amounts in thousands)

existed, and may also differ significantly from the values at which such investments may be sold, and the differences could be material.

Investment gains (losses) (including realized and unrealized gains and losses on investments, interest, and dividends from all other investments) are reported as nonoperating gains (losses), except for investment income equal to the Institute's spending policy, which is reported as operating income, and other investment income restricted by donor or law.

### **(f) Assets Whose Use is Limited**

Assets whose use is limited represent proceeds from bonds and operations, which are invested and restricted under bond indenture agreements for construction, debt repayment, an investment deposit requirement under a certain bond purchase agreement, and investments placed in trust for payment of self-insured claims. Assets whose use is limited are recorded as other assets in the accompanying consolidated balance sheets.

### **(g) Contributions**

Unconditional promises to give are reported at fair value at the date the promise is recorded. Unconditional contributions receivable, received in writing in amounts of \$1,000 or more and payable in regular installments, are recorded at net present value of estimated cash flows. The discounts on these amounts are computed using a risk-free rate applicable in the year in which the promise is received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are recognized when the conditions are substantially met. Unrestricted and restricted contributions used on a current basis for research, including amounts of institutional support, are recorded as operating revenues. Other restricted contributions are recorded as net assets with donor restrictions.

### **(h) Property, Plant, and Equipment**

Property, plant, and equipment are stated at cost, less accumulated depreciation. Donated equipment is recorded at fair value, determined as of the date of donation. Depreciation is computed using the straight-line method at rates intended to amortize the costs of the related assets over their estimated useful lives. Amortization of assets recorded under finance or capital leases is included in depreciation. Equipment purchased under the terms of research grants is charged as a direct research expenditure.

Under *ASU 2018-15, Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40)*, the Institute defers implementation costs incurred to develop or obtain internal-use software in a cloud computing arrangement that is a service contract and expenses the costs over the term of the hosting arrangement, including reasonably certain renewals. As of September 30, 2023 and 2022, deferred expenses related to cloud computing agreements was \$4,870 and \$1,366. During the years ended September 30, 2023 and 2022, amortization of deferred implementation expenses for cloud computing arrangements was \$444 and \$23.

### **(i) Interest Rate Swap Agreements**

The Institute utilizes interest rate swap agreements to reduce risks associated with changes in interest rates. The Institute is exposed to credit loss in the event of nonperformance by the counterparties to its interest rate swap agreements. The Institute is also exposed to the risk that the swap receipts may not

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

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offset its variable rate debt service. To the extent these variable interest swap receipts do not equal variable interest payments on the bonds, there will be a net loss or net benefit to the Institute.

The Institute recognizes all derivative instruments as either assets or liabilities in the consolidated balance sheets at their respective fair value with changes in fair value reflected in the consolidated statements of operations and changes in net assets as a component of nonoperating gains (losses).

### **(j) Net Assets**

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions – net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a donor restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as revenues (for noncapital related-items), or as a direct increase to net assets without donor restrictions (for capital related-items).

Net assets with perpetual donor restrictions include assets with restrictions that require investment to provide a perpetual source of income to the Institute. Generally, donors of these assets require the Institute to maintain and invest the original contribution in perpetuity but permit the use of some or all investment returns for general or specific purposes. The Institute has interpreted state law as requiring realized and unrealized gains of these perpetual contributions to be retained in net assets with donor restrictions until appropriated by the board and expended. State law allows the board to appropriate so much of the net appreciation of perpetual contributions as is prudent considering the Institute's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. Annually, the board appropriates an amount based upon a spending policy as described in paragraph (k) below.

### **(k) Operating Revenues and Expenses**

Operating income includes revenues generated from direct patient care activities, research activities from grantors and donors, unrestricted contributions, royalties, trademark income, and sundry revenues related to the operation of the Institute's facilities, and all related expenses. The Institute has a spending policy allowing approximately 7.5% of the average market value of certain donor-restricted investments over the past nine quarters to be spent annually to fund operating and capital needs. Investment income equal to the annual spending policy amount on donor-restricted investments whose income is unrestricted is reported in other operating revenue.

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

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(Dollar amounts in thousands)

### **(I) Net Patient Service Revenue**

Net patient service revenues are recorded at the amounts that reflect the consideration to which the Institute expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors, and others and include an estimate of variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Institute bills patients and third-party payors several days after the services are performed and/or the patient is discharged from the facility.

Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Institute. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Institute believes that this method provides a reasonable representation of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Institute measures the performance obligation for inpatient services from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. The Institute's performance obligations related to outpatient services are generally satisfied over a period of one day or less. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided, and the Institute does not believe it is required to provide any additional goods or services to the patient. Since all performance obligations relate to contracts with a duration of less than one year, the Institute has elected to apply the optional exemption in ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The performance obligations for these contracts will be satisfied when the patient is discharged from the hospital, which generally occurs within days or weeks of the end of the reporting period.

The Institute determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Institute's policy, and/or implicit price concessions provided to uninsured patients. Estimates of contractual adjustments and discounts are based on contractual agreements, its discount policy (or policies), and historical experience. Estimates of implicit price concessions are based on historical collection experience with this class of patients. Any revision in estimates is recognized in the period in which the estimates are revised. Amounts are billed to patients and third-party payors after the performance obligation is satisfied and payment is expected within a reasonable period of time, though settlement may occur well after the healthcare service is provided. See note 11.

Consistent with the Institute's mission, care is provided to patients regardless of their ability to pay. The Institute has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (e.g. copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Institute expects to collect based on its collection history with those patients. Patients who meet the Institute's criteria for charity care are provided care without charge or at amounts less than established rates. The Institute has determined that it has provided sufficient implicit price concessions for these accounts. Price concessions, including charity care, are not reported as revenue.

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

Notes to Consolidated Financial Statements

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(Dollar amounts in thousands)

### ***(m) Research Revenue and Expense***

Research revenues include research grants and contracts, license and royalty, and contribution-related income.

#### *Direct and Indirect Research Revenue and Related Expenses:*

Research revenues from grants and contracts are accounted for either as an exchange transaction or contribution.

Revenue related to exchange transactions is recognized as the costs are incurred for the purpose specified by the grantor or in accordance with the terms of the agreement. Amounts received related to exchange transactions in advance of incurring the related expenditures are recorded as research advances in the accompanying consolidated balance sheets.

Contributions are either conditional or unconditional based on the award terms. A contribution is considered conditional if the award contains both a specific barrier that must be overcome for the Institute to be entitled to the funds and a right of return of the grantors obligation to provide the promised funds. If both conditions are not present, the award is unconditional. Unconditional contributions are recognized as restricted revenue and released upon expenditure. Contracts that include both a barrier and a right of return (or right of release) are considered conditional contributions and revenue is recognized once the conditions are met.

Performance obligations related to research grants, contracts, gifts and contributions are satisfied over time and recognized using an input method for costs incurred as the research services are performed by the Institute. The transaction price for research revenues related to grants and contracts is based on the contracted award received from third-parties.

Indirect costs related to certain government grants and contracts are reimbursed at fixed rates negotiated with the government agencies.

#### *Royalty and License Revenue*

Royalty and license revenue results from the development and commercialization of new technologies.

Royalty and license related revenues are recorded when the sales occur. Performance obligations related to license and royalties are satisfied at a point in time when the Institute transfers the rights to the Institute's intellectual property and as associated variable consideration is no longer constrained. There were no unsatisfied performance obligations related to license and royalties as of September 30, 2023 or 2022. The transaction price for research revenues related to license and royalties is determined based on contractual prices negotiated with the commercial third-parties. The Institute records milestone payments when performance obligations are satisfied.

In accordance with the Institute's policy, royalty and license revenue are distributed to the inventor, the laboratory, the department where the research was performed, and the Institute. The portion distributed to the inventor, laboratory, and department is recorded as research expense on the consolidated statements of operations and changes in net assets when expended. The portion distributed to the

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Institute is recorded on the consolidated statements of operations and changes in net assets as other operating revenues.

In accordance with ASC 958, *Presentation of Financial Statements for Not-for-Profit-Entities*, for income designated for future research expenses pursuant to the overall mission of the Institute, the Institute designates a portion of the revenues as board-designated net assets without donor restriction. The funds related to board designated net assets without donor restrictions are included in the nonoperating (loss) gain section of the consolidated statements of operations and changes in net assets as royalty income and will be appropriated for expenses incurred related to research programs for innovative cancer treatment.

### **(n) Excess of Revenue over Expenses**

The consolidated statements of operations and changes in net assets include the excess (deficit) of revenues over expenses as the performance indicator. Changes in net assets without donor restrictions, which are excluded from the excess of revenues over expenses, include changes in net assets related to the pension adjustment, and net assets released from restrictions for capital.

### **(o) Income Taxes**

The Institute and substantially all of its affiliates qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code or disregarded entities for tax purposes and are exempt from federal income taxes on related income. The Institute is considered a public charity, qualifying under IRC Section 170(b)(1)(A)(vi), which is an organization that receives substantial support from grants, governmental units, and the public. Dana-Farber Trust, Inc. and Dana-Farber, Inc. are not private foundations, but qualify for public charity status under IRC Section 509(a)(3), as Type I supporting organizations. Dana-Farber, Inc. has a nominal amount of unrelated business income that is not material to the consolidated financial statements. Dana-Farber Cancer Care Network, Inc. has been determined to be a public charity under IRC Section 509(a)(2). The Institute is considered a hospital facility as defined under the Affordable Care Act, because it is subject to hospital licensure requirements in Massachusetts. As a result, the Institute monitors its compliance with the new requirements under Section 501(r) of the Internal Revenue Code for tax-exempt hospitals, although it does not depend on IRC Section 170(b)(1)(a)(iii) for its public charity status but qualifies as a public charity under IRC Section 170(b)(1)(a)(vi) as a publicly supported organization.

The Institute recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount of benefit that is greater than fifty percent likely to be realized upon settlement. Changes in measurement are reflected in the period in which the change in judgment occurs. The Institute did not recognize the effect of any income tax positions in 2023 and 2022, respectively.

### **(p) Subsequent Events**

The Institute evaluates the impact of subsequent events, which are events that occur after the consolidated balance sheet date but before the consolidated financial statements are issued, for potential recognition in the consolidated financial statements as of the balance sheet date. For the year ended September 30, 2023, the Institute evaluated the impact of subsequent events through

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January 19, 2024, representing the date which the consolidated financial statements were issued. No events have occurred that require disclosure in or adjustment to the consolidated financial statements.

On October 24, 2023, the Institute submitted an application to the Massachusetts Department of Public Health requesting a “determination of need” approving expenditure of \$1.68 billion to construct and equip the New Cancer Hospital. The application remains pending. Refer to footnote 1.

**(3) Investments**

Investments, which are reported at fair value, consisted of the following as of September 30:

	<u>2023</u>	<u>2022</u>
Donor-restricted for research and capital	\$ 1,084,453	946,409
Donor-restricted endowment corpus	286,479	271,252
Accumulated realized and unrealized appreciation on endowment funds	158,538	150,278
Board-designated for various purposes	<u>1,134,717</u>	<u>881,140</u>
	\$ <u>2,664,187</u>	<u>2,249,079</u>
U.S. government money market funds	\$ 10,059	4,341
U.S. government securities	245,998	191,703
U.S. equity securities	398	293
U.S. equity funds	438,688	331,634
International equity funds	577,999	435,050
Hedge funds and private equity funds	<u>1,391,045</u>	<u>1,286,058</u>
	\$ <u>2,664,187</u>	<u>2,249,079</u>

Investment income consisted of the following for the years ended September 30:

	<u>2023</u>	<u>2022</u>
Investment income (loss), net	\$ 8,496	(14,767)
Realized and unrealized gains (losses)	<u>199,108</u>	<u>(278,390)</u>
	\$ <u>207,604</u>	<u>(293,157)</u>



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Investment return was reported as follows in the consolidated statements of operations and changes in net assets for the years ended September 30:

	<u>2023</u>	<u>2022</u>
Excess of revenues over expenses:		
Investment gains (losses), net (nonoperating)	\$ 73,071	(110,710)
Changes in without donor restrictions net assets:		
Net unrealized gains (losses) on endowment	1,298	(1,956)
Changes in net assets with donor restrictions:		
Interest and dividend income, net and realized and unrealized gains (losses), net	133,235	(180,491)
	<u>\$ 207,604</u>	<u>(293,157)</u>

#### (4) Liquidity and Availability of Resources

Financial assets available within one year of the balance sheet date for general expenditures such as operating expenses and construction costs not financed with debt are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 89,330	65,289
Patient accounts receivable, net	262,344	227,873
Research receivables	80,460	70,855
	<u>\$ 432,134</u>	<u>364,017</u>

In addition, the Institute maintains board designated investments of \$1,128,233 and \$881,140 as of September 30, 2023 and 2022, respectively, that can be liquidated within one year if needed, subject to liquidity of the underlying investments.

In the event of an unanticipated liquidity need, the Institute could also draw upon two lines of credit in the amount of \$80,000 each. These lines of credit expire in May 2024.

#### (5) Fair Value Measurements

Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, the Institute has implemented a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

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Level 2: Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Institute utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Institute also considers counterparty credit risk in its assessment of fair value.

Financial assets and liabilities carried at fair value as of September 30, 2023 are classified in the table below in one of the categories as described above:

	Level 1	Level 2	Level 3	Fair value investments	Investments at NAV	Total
Investments:						
U.S. government money market funds	\$ 10,059	—	—	10,059	—	10,059
U.S. government securities	245,998	—	—	245,998	—	245,998
U.S. equity securities	398	—	—	398	—	398
U.S. equity funds	140,966	—	—	140,966	297,722	438,688
International equity funds	101,786	—	—	101,786	476,213	577,999
Hedge funds and private equity funds	—	—	—	—	1,391,045	1,391,045
	<u>\$ 499,207</u>	<u>—</u>	<u>—</u>	<u>499,207</u>	<u>2,164,980</u>	<u>2,664,187</u>
Defined benefit plan assets:						
U.S. government money market fund	\$ 142	—	—	142	—	142
U.S. government mutual funds	—	—	—	—	—	—
U.S. corporate bond funds	21,134	—	—	21,134	—	21,134
U.S. equity funds	864	—	—	864	2,991	3,855
International equity funds	389	—	—	389	2,276	2,665
Hedge funds and private equity funds	—	—	—	—	3,501	3,501
	<u>\$ 22,529</u>	<u>—</u>	<u>—</u>	<u>22,529</u>	<u>8,768</u>	<u>31,297</u>
Liabilities:						
Interest rate swap agreements	\$ —	12,513	—	12,513	—	12,513

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Financial assets and liabilities carried at fair value as of September 30, 2022, are classified in the table below in one of the categories as described above:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair value investments</u>	<u>Investments at NAV</u>	<u>Total</u>
Investments:						
U.S. government money market funds	\$ 4,341	—	—	4,341	—	4,341
U.S. government securities	191,703	—	—	191,703	—	191,703
U.S. equity securities	293	—	—	293	—	293
U.S. equity funds	144,494	—	—	144,494	187,140	331,634
International equity funds	102,490	—	—	102,490	332,560	435,050
Hedge funds and private equity funds	—	—	—	—	1,286,058	1,286,058
	<u>\$ 443,321</u>	<u>—</u>	<u>—</u>	<u>443,321</u>	<u>1,805,758</u>	<u>2,249,079</u>
Defined benefit plan assets:						
U.S. government money market fund	\$ 401	—	—	401	—	401
U.S. government mutual funds	3,898	—	—	3,898	—	3,898
U.S. corporate bond mutual fund	2,022	—	—	2,022	—	2,022
U.S. equity mutual funds	157	—	—	157	13,145	13,302
International equity mutual funds	842	—	—	842	6,409	7,251
Hedge funds and private equity funds	—	—	—	—	4,836	4,836
	<u>\$ 7,320</u>	<u>—</u>	<u>—</u>	<u>7,320</u>	<u>24,390</u>	<u>31,710</u>
Liabilities:						
Interest rate swap agreements	\$ —	21,340	—	21,340	—	21,340

The following is a description of the Institute's valuation methodologies for assets measured at fair value. Fair value for Level 1 is based upon quoted market prices. Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical, or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market, or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources, including market participants, dealers, and brokers. The General Partners' estimates and assumption of fair values of alternative investments may not be indicative of what management would realize upon disposition or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with methods employed by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting dates.

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The following tables include a summary of fair values and redemption features related to investments (excluding split interest agreements) for which estimated fair value was based upon NAV for the years ended September 30, 2023 and 2022:

	<b>2023</b>		
	<b>NAV</b>	<b>Redemption frequency</b>	<b>Redemption notice periods</b>
International equity funds	\$ 476,213	Weekly, semi-monthly, monthly	7–60 days
U.S. equity funds	292,866	Quarterly	60 days
Hedge funds and private equity funds	<u>1,391,045</u>	Monthly, quarterly, semi- annually, annually, over 1 year	31–90 days
	2,160,124		
Charitable gift annuities	<u>4,856</u>		
	\$ <u><u>2,164,980</u></u>		

	<b>2022</b>		
	<b>NAV</b>	<b>Redemption frequency</b>	<b>Redemption notice periods</b>
International equity funds	\$ 332,560	Weekly, semi-monthly, monthly	7–60 days
U.S. equity funds	181,408	Quarterly	60 days
Hedge funds and private equity funds	<u>1,286,058</u>	Monthly, quarterly, semi- annually, annually, over 1 year	31–90 days
	1,800,026		
Charitable gift annuities	<u>5,732</u>		
	\$ <u><u>1,805,758</u></u>		

Unfunded commitments associated with investments for which fair value was based upon NAV were \$276,670 and \$287,837 at September 30, 2023 and 2022, respectively.

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**(6) Property, Plant, and Equipment**

Property, plant, and equipment consisted of the following as of September 30:

	<b>2023</b>	<b>2022</b>
Land	\$ 17,067	7,640
Buildings and improvements	1,674,176	1,636,967
Equipment	488,327	468,417
Construction-in-progress	49,196	43,047
	2,228,766	2,156,071
Less accumulated depreciation	1,295,485	1,199,462
	<b>\$ 933,281</b>	<b>956,609</b>

Included within the table above in buildings and improvements are gross assets recorded under finance leases of \$41,542 as of both September 30, 2023, and 2022, respectively, net of accumulated depreciation of \$28,171 and \$26,070 as of September 30, 2023, and 2022, respectively. During the years ended September 30, 2023, and 2022, retirements of fully depreciated equipment assets were undertaken, representing \$87 and \$298 of equipment cost and associated accumulated depreciation, respectively. In fiscal year 2023, the Institute purchased land in Westwood, Massachusetts at a cost of \$9,427.

**(7) Contributions**

Contributions received and pledged (at net discounted value) were as follows for the years ended September 30:

	<b>2023</b>		
	<b>Cash</b>	<b>Pledges</b>	<b>Total</b>
Unrestricted contributions and bequests	\$ 97,813	—	97,813
Contributions with donor restrictions	99,358	105,587	204,945
Research gifts for current use	7,512	—	7,512
	<b>\$ 204,683</b>	<b>105,587</b>	<b>310,270</b>
	<b>2022</b>		
	<b>Cash</b>	<b>Pledges</b>	<b>Total</b>
Unrestricted contributions and bequests	\$ 87,687	—	87,687
Contributions with donor restrictions	99,336	85,187	184,523
Research gifts for current use	6,068	—	6,068
	<b>\$ 193,091</b>	<b>85,187</b>	<b>278,278</b>

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Of the total contributions raised during the years ended September 30, 2023 and 2022, the Jimmy Fund raised \$109,856 and \$103,893, respectively.

In addition, the Institute was awarded a total of \$96,418 and \$132,746 in foundation grants for the years ended September 30, 2023 and 2022, respectively.

Direct fundraising expenses were \$51,928 and \$47,737 for the years ended September 30, 2023 and 2022, respectively, and were included as a component of general and administrative expenses in the consolidated statements of operations and changes in net assets.

Contributions receivable as of September 30 were as follows:

	<u>2023</u>	<u>2022</u>
Amounts due in less than one year for use in operations	\$ 50,408	32,032
Amounts due in less than one year for capital use	145	117
Amounts due in one to five years	45,108	47,342
Amounts due in more than five years	—	700
	<u>95,661</u>	<u>80,191</u>
Less discount to net present value *	2,918	2,070
Less allowance for uncollectible pledges	<u>6,000</u>	<u>16,000</u>
	<u>\$ 86,743</u>	<u>62,121</u>

\* (discount rates 4.60% – 5.46% based on US Treasury Yield Curve Rates)

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**(8) Long-Term Debt and Finance Lease Obligations**

Long-term debt consisted of the following as of September 30:

	2023	2022
Massachusetts Health and Educational Facilities Authority (MHEFA) revenue bonds:		
Series L	\$ 92,500	92,500
Massachusetts Development Finance Agency (MDFA) revenue bonds:		
Series M	50,860	50,860
Series N	233,195	233,195
Series O	32,820	37,565
Series P	92,500	92,500
Finance and capital lease obligations (note 9)	18,497	20,376
	520,372	526,996
Unamortized premium	39,828	42,813
Unamortized cost of issuance	(3,501)	(3,728)
	556,699	566,081
Less current portion	6,979	6,624
	\$ 549,720	559,457

**(a) Bonds Payable**

On May 22, 2008, the Institute issued, through MHEFA, \$185,000 Variable Rate Revenue Bonds, Dana-Farber Cancer Institute Issue, Series L (2008) (Series L-1 and L-2). The Series L bonds are tax-exempt bonds. The proceeds of the bonds were used to: (i) pay bridge financing incurred by the Institute to refund the MHEFA Revenue Bonds, Dana-Farber Cancer Institute Issue, Periodic Auction Reset Securities Series I (2007), and MHEFA Capital Asset Program Loans Series J, (ii) pay MHEFA Capital Asset Program Loans Pool M, and (iii) pay an amount, together with funds provided by the Institute, to fund the cost of issuance of the Series L bonds.

On June 1, 2012, the Institute served a notice of change in mode and mandatory tender to the holders of its Series L-2 bonds. On July 2, 2012, upon such mandatory tender and conversion, the Series L-2 bonds were reissued in two subseries comprised of \$57,500 Series L-2A bonds and \$35,000 Series L-2B bonds, which were purchased by Century Subsidiary Investments, Inc. III and TD Bank, N.A., respectively. On July 1, 2015, the Institute served a notice of change in mode and mandatory tender to the holders of its Series L-1 bonds. On August 3, 2015, upon such mandatory tender and conversion, the Series L-1 bonds were purchased by DNT Asset Trust, a wholly owned subsidiary of JPMorgan Chase Bank, N.A. The Series L-1 and L-2 bonds were collateralized by irrevocable direct pay letters of credit issued by JPMorgan Chase Bank, N.A. and Bank of America, N.A. that terminated

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on August 3, 2015 and July 2, 2012, respectively, upon completion of the mandatory tender. On July 28, 2021, the Institute refunded Series L-2A and Series L-2B with \$57,500 Series P-1 (2021) and \$35,000 Series P-2 (2021), each purchased by Century Subsidiary Investments, Inc. III. The Series L and P bonds bear interest at an average variable rate (4.72% and 1.62% for the years ended September 30, 2023 and 2022, respectively), and mature in varying annual amounts from 2028 to 2046.

On August 7, 2013, the Institute issued, through MDFA, \$50,860 Revenue Bonds, Dana-Farber Cancer Institute Issue, Series M (2013). The Series M bonds are federally taxable bonds. The proceeds of the bonds were used to: (i) renovate and fit out approximately 154,100 rentable square feet of leased research space in the Longwood Center, which will be used for high-tech research laboratories, (ii) other corporate purposes, and (iii) pay an amount needed to fund the cost of issuance of the Series M Bonds. The Series M bonds bear interest at a fixed rate of 5.35% and mature December 1, 2028. The bonds were issued at par.

On June 23, 2016, the Institute issued, through MDFA, \$233,195 Revenue Bonds, Dana-Farber Cancer Institute Issue, Series N (2016). The Series N bonds are tax-exempt bonds, and were used in July 2017 to: (i) finance the acquisition of approximately 203,000 square feet of research space in the Longwood Center, (ii) finance the partial fit-out of an additional 50,983 square feet of research space under a separate lease at the Longwood Center, (iii) replace a 20-year old HVAC system, (iv) relocate and reconstruct the Institute's Cell Manipulation Core Facility, (v) payment of cost of issuance and interest during the purchase and construction periods and (vi) various other capital projects. The Series N bonds bear interest at fixed rates of 5.00% and mature in varying annual amounts from 2029 to 2046. The bonds were issued at an original premium of \$48,591, which is amortized over the related terms.

On September 3, 2019, the Institute issued, through MDFA, \$51,130 Revenue Bonds, Dana-Farber Cancer Institute Issue, Series O (2019) bonds. The Series O bonds are tax-exempt bonds. The proceeds of the bonds were used to: (i) retire the Series K bonds along with funds released from the series K debt service reserve fund and (ii) payment of cost of issuance of the Series O bonds. The Series O bonds bear interest at a fixed rate of 5.0% and mature in varying annual amounts from 2019 to 2035. The bonds were issued at an original premium of \$9,125, which is amortized over the related terms.

After June 30, 2023, U.S.-dollar LIBOR ceased publication. On June 26, 2023, and June 16, 2023, the Institute amended Series L and Series P (P-1 and P-2), respectively, for the replacement of LIBOR based reference rate to SOFR based reference rate with the effective date of July 1, 2023.

The Series L, Series M, Series N, Series O, and Series P bonds are equally and ratably collateralized by a lien on the unrestricted gross receipts of the Institute, and a mortgage granted upon the Yawkey Center for Cancer Care, the Richard A. and Susan F. Smith Research Laboratories, the Dana Building, and the Louis B. Mayer Research Laboratories.

The Institute is required to comply with certain financial covenants under its long-term debt agreements.



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Scheduled maturities and sinking fund requirements for the next five fiscal years are as follows:

2024	\$	4,985
2025		5,245
2026		5,515
2027		5,800
2028		1,000

Interest cost on long-term debt and capital lease obligations totaled \$23,180 and \$17,688 for the years ended September 30, 2023 and 2022, respectively. Of this, \$21,875 and \$16,969 was reported as interest expense, and \$1,306 and \$720 was capitalized as part of construction-in-progress for the years ended September 30, 2023 and 2022, respectively. Cash paid for interest amounted to \$25,878 and \$20,528 for the years ended September 30, 2023 and 2022, respectively.

### **(b) Lines of Credit**

As of September 30 2023, the Institute has two \$80,000 line of credit commitments, expiring in May 2024. Both credit agreements set forth SOFR based reference rate as borrowing rate benchmarks. No amounts were outstanding under these arrangements as of September 30, 2023 and 2022.

### **(c) Interest Rate Swaps**

In connection with the issuance of the 2008 Series L bonds, the Institute amended two interest rate swap agreements of \$75,000 each with Morgan Stanley Capital Services, Inc. Under these agreements, the Institute effectively converted this variable rate debt to a fixed rate basis of 3.84% for the term of the bonds.

The Institute reported the fair value of interest rate swap agreements as \$12,513 and \$21,340 in other liabilities on the consolidated balance sheets as of September 30, 2023 and 2022, respectively. The Institute reported the change in the fair value of the interest rate swap agreements as a nonoperating gain of \$8,827 and \$38,290 in the accompanying consolidated statements of operations and changes in net assets for the years ended September 30, 2023 and 2022, respectively.

The valuation of the interest rate swaps is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. In April 2022, the Institute adhered to ISDA 2020 IBOR Fallbacks Protocol for its swap instruments.

### **(9) Leases**

The Institute's portfolio includes operating leases of assets typically associated with real estate, clinical, research, and diagnostic equipment, administrative equipment, and vehicles. The Institute's portfolio includes two finance leases for certain leased spaces in outpatient satellite clinics. The operating and finance leases generally have 1 to 30 year terms, with one or more renewal options, primarily relating to the real estate leases. The exercise of such lease renewal options is at the Institute's sole discretion, and to

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the extent the Institute is reasonably certain the Institute will exercise a renewal option, the years related to that option are included in the Institute's determination of the lease term. Certain leases also include options to purchase the leased property at a price that either approximates or exceeds fair value.

The components of lease cost is comprised of the following amounts for the years ended September 30:

	<u>2023</u>	<u>2022</u>
Operating lease cost	\$ 56,301	54,026
Finance lease cost:		
Amortization of right-of-use assets	2,101	2,101
Interest on lease liabilities	<u>974</u>	<u>1,064</u>
Total finance lease cost	3,075	3,165
Variable lease cost	<u>30,334</u>	<u>27,908</u>
Total lease cost	\$ <u><u>89,710</u></u>	<u><u>85,099</u></u>

Supplemental consolidated balance sheet information related to leases is as follows at September 30:

<b>Assets</b>	<b>Classification</b>	<u>2023</u>	<u>2022</u>
Operating lease	Right of use assets, net – Operating leases	\$ 335,097	369,926
Finance lease	Property, plant, and equipment, net	<u>13,371</u>	<u>15,472</u>
Total leased assets		\$ <u><u>348,468</u></u>	<u><u>385,398</u></u>
<b>Liabilities</b>			
Current liabilities:			
Operating lease	Operating lease liabilities	\$ 48,066	46,264
Finance lease	Current portion of long-term debt and finance/capital leases	1,994	1,879
Noncurrent liabilities:			
Operating lease	Operating lease liability, less current portion	310,899	346,764
Finance lease	Long-term debt and finance/capital leases, less current portion	<u>16,503</u>	<u>18,497</u>
Total leased liabilities		\$ <u><u>377,462</u></u>	<u><u>413,404</u></u>

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The following summarizes additional information related to operating and finance leases as of September 30:

	<u>2023</u>	<u>2022</u>
Weighted average remaining lease term – operating leases	7.7 years	8.5 years
Weighted average remaining lease term – finance leases	12.5 years	13.2 years
Weighted average discount rate – operating leases	2.00 %	1.81 %
Weighted average discount rate – finance leases	4.77 %	4.77 %

Minimum future lease commitments under noncancelable leases are as follows:

	<u>Finance leases</u>	<u>Operating leases</u>
2024	\$ 2,838	54,670
2025	2,855	53,967
2026	2,871	52,199
2027	2,880	50,388
2028	2,029	43,586
Thereafter	<u>9,236</u>	<u>132,792</u>
Total future minimum lease payments	22,709	387,602
Less imputed interest	<u>(4,212)</u>	<u>(28,637)</u>
Total lease liabilities	\$ <u>18,497</u>	<u>358,965</u>

Supplemental cash flow information related to operating and finance leases is as follows for the years ended September 30:

	<u>2023</u>	<u>2022</u>
Operating cash flows from operating leases	\$ 54,157	52,170
Operating cash flows from finance leases	974	1,064
Financing cash flows from finance leases	1,879	1,742
Operating lease assets obtained in exchange for lease obligations	18,646	43,755

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**(10) Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following as of September 30:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specific purpose:		
Research	\$ 1,165,712	1,006,897
Capital	205	90
Realized and unrealized gains on perpetual gifts	<u>158,538</u>	<u>150,278</u>
	<u>1,324,455</u>	<u>1,157,265</u>
Endowments:		
Perpetual in nature:		
Unrestricted as to use of income	8,817	7,921
Restricted as to use of income	<u>292,094</u>	<u>274,027</u>
	<u>300,911</u>	<u>281,948</u>
Total net assets with donor restrictions	\$ <u>1,625,366</u>	\$ <u>1,439,213</u>

During the years ended September 30, 2023 and 2022, net assets of \$142,353 and \$138,946, respectively, were released from donor restrictions to fund research. In addition, \$999 and \$862, respectively, were released to fund operating needs in accordance with the annual spending policy amount on donor-restricted investments described in note 2. These amounts are included in research revenues and other operating revenues, respectively.

For the years ended September 30, 2023 and 2022, the Institute had a net outflow of \$2,744 and \$15 inflow respectively, from BWH, Harvard University and other institutions in accordance with the terms of certain gifts.

The Institute's endowments consist of numerous individual funds established for a variety of purposes. These endowments consist solely of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Institute requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Institute classifies as donor restricted endowment funds (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund, (b) the purpose of the Institute and the donor-restricted endowment fund, (c) general economic conditions, (d) the possible effect of inflation and

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deflation, (e) the expected total return from income and the appreciation of investments, (f) the investment policies of the Institute, and (g) other resources of the Institute.

Endowment net asset composition by type of fund as of September 30, 2023, consisted of the following:

	<u>Unrestricted</u>	<u>Accumulated unspent returns</u>	<u>Original Corpus</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	158,538	300,911	459,449
Board-designated endowment funds	(662)	—	—	(662)
	<u>\$ (662)</u>	<u>158,538</u>	<u>300,911</u>	<u>458,787</u>

For the year ended September 30, 2023, the Institute had the following endowment-related activities:

	<u>Unrestricted</u>	<u>Accumulated unspent returns</u>	<u>Original Corpus</u>	<u>Total</u>
Endowment net assets, September 30, 2022	\$ (1,956)	150,278	281,948	430,270
Investment return:				
Investment gains, net	—	692	—	692
Net realized and unrealized losses on investments	—	36,476	—	36,476
Total investment return	—	37,168	—	37,168
Net asset reclassification – net unrealized gain on endowments	1,294	—	—	1,294
Contributions to perpetual endowment	—	—	18,963	18,963
Amounts appropriated for expenditure/transfer	—	(28,908)	—	(28,908)
Total change in endowment funds	<u>1,294</u>	<u>8,260</u>	<u>18,963</u>	<u>28,517</u>
Endowment net assets, September 30, 2023	<u>\$ (662)</u>	<u>158,538</u>	<u>300,911</u>	<u>458,787</u>

Endowment net asset composition by type of fund as of September 30, 2022, consisted of the following:

	<u>Unrestricted</u>	<u>Accumulated unspent returns</u>	<u>Original Corpus</u>	<u>Total</u>
Donor-restricted endowment funds	\$ —	150,278	281,948	432,226
Board-designated endowment funds	(1,956)	—	—	(1,956)
	<u>\$ (1,956)</u>	<u>150,278</u>	<u>281,948</u>	<u>430,270</u>

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For the year ended September 30, 2022, the Institute had the following endowment-related activities:

	<u>Unrestricted</u>	<u>Accumulated unspent returns</u>	<u>Original Corpus</u>	<u>Total</u>
Endowment net assets, September 30, 2021	\$ —	226,595	252,601	479,196
Investment return:				
Investment losses, net	—	(2,616)	—	(2,616)
Net realized and unrealized losses on investments	—	(52,755)	—	(52,755)
Total investment return	—	(55,371)	—	(55,371)
Net asset reclassification – net unrealized loss on endowments	(1,956)	1,956	—	—
Contributions to perpetual endowment	—	—	29,347	29,347
Amounts appropriated for expenditure/transfer	—	(22,902)	—	(22,902)
Total change in endowment funds	(1,956)	(76,317)	29,347	(48,926)
Endowment net assets, September 30, 2022	\$ <u>(1,956)</u>	<u>150,278</u>	<u>281,948</u>	<u>430,270</u>

The overall financial objectives of the Institute are to provide a sustainable and increasingly upward trend in the endowment distribution dollars to support the annual operating budget, to preserve and enhance the real (inflation-adjusted) purchasing power of the Institute, and to provide support for capital investment needs as they arise.

The long-term investment objectives of the Institute are to attain an inflation-adjusted or real total return (net of investment management fees) at least equal to the Institute's spending rate, as measured over a full market cycle (or rolling five- to seven-year periods); achieve annualized returns in excess of the strategic policy portfolio blended benchmark, as measured over a full market cycle; and outperform the median return of a pool of endowment funds with broadly similar investment objectives and policies.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Institute to retain as a fund of perpetual duration. The corpus amount for endowments with deficiencies was \$16,204 and \$20,611 for September 30, 2023 and 2022, respectively. The market value of endowments with deficiencies was \$15,089 and \$17,133 for September 30, 2023 and 2022, respectively.

### (11) Revenue

#### (a) Patient Service Revenue

The Institute has a reimbursement agreement with various Massachusetts Commercial insurance companies that provide for product-specific payment rates. The Institute also participates in the Medicare Program. This program provides outpatient reimbursement based on Ambulatory Payment Classifications. Cancer centers were granted a hold harmless exemption that allows for a final settlement based on a percentage of actual outpatient costs incurred. Inpatient reimbursement is

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limited to the lower of cost or a fixed target rate per discharge. The Institute also has an agreement with the Commonwealth of Massachusetts, under the Medicaid program, which provides a predetermined reimbursement per inpatient discharge and a per encounter amount for outpatient services.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is a possibility that recorded estimates will change by a material amount in the future. The Institute believes it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs.

As described in note 2(l), the transaction price for the Institute's healthcare services is variable due to the existence of price concessions due to various adjustments with insurance, governmental payors, and self-pay patients. The Institute recorded changes in estimates related to prior year settlements and denials, which increased net patient service revenue by \$23,009 and \$18,547 in 2023 and 2022, respectively.

The composition of net patient service revenues for the years ended September 30 are as follows:

	<u>2023</u>	<u>2022</u>
Medicare	35 %	33 %
Medicaid	5	5
Blue Cross	22	23
HMO, commercial and other	37	38
Self-pay	<u>1</u>	<u>1</u>
	<u>100 %</u>	<u>100 %</u>

The Institute grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows as of September 30:

	<u>2023</u>	<u>2022</u>
Medicare	34 %	33 %
Medicaid	8	7
Blue Cross	18	19
HMO, commercial and other	35	36
Self-pay	<u>5</u>	<u>5</u>
	<u>100 %</u>	<u>100 %</u>

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### (b) Research Revenues

The composition of research revenues for the years ended September 30 are as follows:

	<u>2023</u>	<u>2022</u>
Federal grants and contracts revenue	\$ 229,857	217,169
Nonfederal grants and contracts revenue	221,405	193,014
License and royalty revenue	67,654	28,848
Gift revenue	<u>149,865</u>	<u>145,089</u>
Total research revenues	<u>\$ 668,781</u>	<u>584,120</u>

Conditional contributions as of September 30, 2023 and 2022 approximate \$291,644 and \$317,621, respectively.

Research receivables and research advances related to grants and contracts are comprised of the following balances as of September 30:

	<u>2023</u>	<u>2022</u>
Research receivables:		
Exchange transactions under 606	\$ 35,530	27,106
Contributions under ASU 2018-08	<u>44,930</u>	<u>43,749</u>
Total research receivables	<u>\$ 80,460</u>	<u>70,855</u>
Research advances:		
Exchange transactions under 606	\$ 90,494	103,382
Contributions under ASU 2018-08	<u>58,379</u>	<u>49,722</u>
Total research advances	<u>\$ 148,873</u>	<u>153,104</u>

### (c) Other Operating Revenues

Other operating revenue includes among other things, management services, rent, royalty and other ancillary Institute services such as parking, cafeteria and gift shop.

In June 2023, the Institute recorded two legal settlements, both relating to intellectual property. The impact of these settlements is reflected in other operating revenue and royalty income net of expenses in non-operating activity. The legal settlements benefitted operating results by \$33.7 million. This included recording \$26.4 million of prior year legal expense recoveries and \$7.3 million of one-time royalty revenue.

In addition, other operating revenue includes the Department of Health and Human Services (HHS) Coronavirus Aid, Relief, and Economic Securities Act (CARES Act) Provider Relief Funds operating agreements in 2022, and COVID-19 Public Health Emergency Hospital Relief Trust Funds in 2022. See



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note 18. Royalty income net of expenses in non-operating income includes \$218,192 of one-time royalty income related to two legal settlements for intellectual property litigation that were settled in 2023.

### **(d) Unrestricted Contributions and Bequests**

Unrestricted contributions and bequests represent donations that are given to support the Institute's mission.

## **(12) Charity Care**

### **(a) Community Benefit**

The Institute provides a wide variety of services to the community in order to ensure access to appropriate care for populations in need. The Institute supports services, which target not only the general population, but also particular populations with special health care needs, including the poor, the elderly, children, and minority populations. Supported services include various clinics, health screening programs, health education programs, and support area groups operated in the local area. The Institute works actively with other service providers to ensure the development of an effective community health network. The Institute also participates in activities designed to foster a vital local economic and civic environment.

### **(b) Uncompensated Care**

The Commonwealth of Massachusetts operates a "health safety net" to reimburse hospitals for the cost of uncompensated care, defined as charity care, and bad debts associated with emergency services. Amounts are paid to the health safety net based on a percentage of assessed payor charges.

Payments from the health safety net are determined on a per visit or discharge basis according to Medicare reimbursement rates adjusted for overall shortfalls in the statewide funding for the health safety net.

### **(c) Charity Care**

The Institute provides care without charge or at amounts less than established rates to patients who meet certain criteria under the Institute's charity care policies. In FY22, the Institute expanded the definition of charity care to include (i) unreimbursed care provided to patients with Mass Health Limited insurance coverage and (ii) discounted care provided to patients that qualify for the Institute's Financial Assistance Program. Because the Institute does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. During the years ended September 30, 2023 and 2022, the Institute provided charity care of \$40,840 and \$39,643, respectively, at standard charges. The cost of this charity care was \$15,272 and \$14,666. In addition, the Institute had net payments to the Commonwealth of Massachusetts "health safety net" of \$8,021 and \$18,210 for the years ended September 30, 2023 and 2022, respectively. The equivalent percentage of charity care patients to all patients served was approximately 0.6% in 2023 and 0.7% in 2022. Such amounts and percentages are determined using foregone charges based on established rates. The cost of charity care is estimated using the cost-to-charge ratio for the Institute.

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**(13) Pension Plans**

**(a) Defined Contribution Plan**

Substantially all employees are covered by a defined contribution plan to which the Institute contributes a fixed percentage of employees' salaries. The amounts contributed for the years ended September 30, 2023 and 2022, were \$48,085 and \$41,065, respectively.

**(b) Defined Benefit Pension Plan**

*(i) Obligations and Funded Status*

The Institute has a defined benefit pension plan, which was frozen for years of service credited through June 30, 1992. The Board of Trustees of the Institute adopted a resolution to freeze the salary component of the defined benefit pension plan effective March 31, 2010. On September 30, 2010, as a result of this resolution, the plan liabilities were remeasured. The elimination of future salary increases was calculated as a prior service credit related to these employees of \$3,295 and is being amortized over the future working lifetime of the current active population.

Unrecognized actuarial losses of \$10,628 and \$11,393 are included in net assets without donor restrictions as of September 30, 2023 and 2022, respectively. The actuarial loss included in net assets without donor restrictions and expected to be recognized in net periodic pension cost during the year ending September 30, 2024 is \$194.

The following table summarizes information about the funded status of the plan as of September 30:

	<u>2023</u>	<u>2022</u>
Projected benefit obligation at beginning of year	\$ 27,412	40,407
Interest cost	1,419	937
Net benefit payments and transfers	(2,324)	(2,560)
Actuarial losses	<u>(895)</u>	<u>(11,372)</u>
Projected benefit obligation at end of year	<u>25,612</u>	<u>27,412</u>
Fair value of plan assets at beginning of year	31,710	39,737
Actual return on plan assets	1,980	(5,379)
Net benefit payments and expenses	<u>(2,393)</u>	<u>(2,648)</u>
Fair value of plan assets at end of year	<u>31,297</u>	<u>31,710</u>
Funded status of the plan	\$ <u>5,685</u>	<u>4,298</u>

The funded status of the plan is recorded within other assets on the consolidated balance sheets as of September 30, 2023 and 2022, respectively.

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The measurement date for the Institute's fiscal 2023 consolidated financial statements is September 30, 2023.

The accumulated benefit obligation was \$25,612 and \$27,412 as of September 30, 2023 and 2022, respectively.

**(c) Net Periodic Pension (Income) Cost**

Net periodic pension cost (income) consists of the following for the years ended September 30:

	<b>2023</b>	<b>2022</b>
Interest cost	\$ 1,419	937
Service cost	90	200
Expected return on plan assets	(2,357)	(2,293)
Settlements	—	675
Net amortization and deferral	225	626
Net periodic pension (income) cost	\$ (623)	145

The service component of net periodic pension cost is included in the appropriate functional expense line item, together with other compensation-related expenses. The components of net periodic pension cost other than the service cost component are included as "pension benefit (cost), excluding service cost" as a component of nonoperating gains in the accompanying consolidated statements of operations and changes in net assets.

**(d) Assumptions**

Assumptions used to measure the projected benefit obligation and net periodic pension cost include the following as of September 30:

	<b>2023</b>	<b>2022</b>
Discount rate (projected benefit obligation)	5.83 %	5.37 %
Discount rate (net periodic pension cost)	5.37	2.60
Expected long-term return on plan assets	7.00	7.00
Average increase in compensation levels	N/A	N/A

The expected rate of return on plan assets was determined based on the expected return of each asset class using a model that estimates returns over at least a 20-year period without regard to current market valuations.

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### (e) Plan Assets

The Institute's pension plan asset allocations as of September 30, by asset category, are as follows:

	<u>2023</u>	<u>2022</u>
U.S. government money market funds	— %	1 %
U.S. government mutual funds	—	12
U.S. corporate bond funds	68	6
U.S. equity funds	12	43
International equity funds	9	23
Alternative investments	11	15
	<u>100 %</u>	<u>100 %</u>

Pension plan assets are managed by outside managers with a long-term outlook. Long-term investment results are measured over rolling periods of three to five years. The investment objective for plan assets is to achieve a total annual return, net of fees, that meaningfully exceeds the returns possible in the index markets by investing passively in index funds.

Assets invested in the defined benefit pension plan are reported at fair value. Debt and equity securities with readily determinable values are carried at fair value as determined based on independent published sources. Alternative investments, as described in note 2, are stated at fair value using net asset value as a practical expedient.

### (f) Contributions

The Institute did not make a contribution to its pension plan during the year ended September 30, 2023 and does not expect to contribute to its pension plan in 2024.

### (g) Estimated Future Benefit Payments

Benefit payments are expected to approximate the following:

2024	2,564
2025	2,122
2026	2,485
2027	2,156
2028	2,178
2029–2033	10,998

## (14) Concentrations of Credit Risk

Financial instruments that potentially subject the Institute to concentration of credit risk consist of cash and cash equivalents, patient accounts receivable, research receivables, contributions receivable, certain investments and interest rate swaps.

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The Institute maintains its cash accounts at various financial institutions. As of September 30, 2023, the Institute had cash balances of approximately \$89,000 in uninsured accounts. The Institute has not experienced any losses in such accounts and evaluates the creditworthiness of the financial institutions with which it conducts business. Management believes the Institute is not exposed to any significant credit risk with respect to its cash balances.

Contributions receivable are due from multiple donors. The Institute assesses the credit risk for pledges based on history and the financial wherewithal of donors, most of whom are individuals or organizations well known to the Institute.

Investments, which include government and agency securities, stocks and corporate bonds, and private partnerships and other investments are not concentrated in any corporation or industry or with a single counterparty. The reported values of alternative investments may differ significantly from the values that would have been used had a ready market for those securities existed. These instruments may contain elements of both credit and market risk.

The Institute minimizes the credit risk it is exposed to under interest rate swap agreements by monitoring the counterparty credit rating on a monthly basis.

### (15) Contingencies

#### (a) *Medical Malpractice*

The Institute insures its medical malpractice risks under a claims-made policy issued by a multiprovider captive insurance company, of which the Institute is a 11% owner. Premiums are accrued based on the captive insurance company's experience to date. The Institute provides reserves (in addition to those maintained by its affiliated insurance company) for claims incurred but not reported to the insurance company at the consolidated balance sheet date. These reserves have been estimated by consulting actuaries on a discounted basis using a discount rate of 3.0% as of September 30, 2023 and 2022. The discounted liability for unasserted claims as of September 30, 2023 and 2022, was \$2,199 and \$2,429, respectively. The Institute has recorded anticipated insurance recoveries and estimated liabilities for asserted medical malpractice claims of \$10,689 and \$11,140 as of September 30, 2023 and 2022, respectively, which are reported on the consolidated balance sheets as other liabilities.

#### (b) *Legal Matters*

The Institute is subject to complaints, claims, and litigation, which have risen in the normal course of business. In addition, the healthcare industry as a whole is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at the time. Government investigations and allegations concerning possible violations by healthcare providers of regulations could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenue from patient services.

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**(16) Royalty Monetizations**

In 2018, the Institute entered into a PD-L1 Europe monetization. There is \$0 and \$12,801 in deferred revenue as of September 30, 2023 and 2022, respectively. There is \$12,043 and \$11,868 in revenue recognized as of September 30, 2023 and 2022, respectively.

In 2019, the Institute entered into a PD-L1 Japan monetization. There is \$5,538 and \$16,060 in deferred revenue as of September 30, 2023 and 2022, respectively. There is \$8,429 and \$8,714 in revenue recognized as of September 30, 2023 and 2022, respectively.

Deferred revenue related to royalty monetizations is reported as a component of other liabilities on the consolidated balance sheets.

**(17) Functional Expenses**

The consolidated statements of operations presents expense by functional classification. The Institute also summarizes its expenses by natural classification. Salaries, supplies and other expenses are classified based on the type of service provided or performed. Fringe benefits are allocated based on salary expense. Depreciation and amortization is allocated based on services supported by the related assets. Interest is allocated by the assets supported by the related debt.

Expenses by both their nature and their function for the year ended September 30, 2023 are as follows:

	<u>Patient service</u>	<u>Research</u>	<u>General and administrative</u>	<u>Total</u>
Salaries and benefits	\$ 427,336	290,765	230,521	948,622
Supplies and other	1,337,786	277,931	308,351	1,924,068
Depreciation and amortization	51,691	33,565	9,582	94,838
Interest	7,981	13,482	412	21,875
	<u>\$ 1,824,794</u>	<u>615,743</u>	<u>548,866</u>	<u>2,989,403</u>

Expenses by both their nature and their function for the year ended September 30, 2022 are as follows:

	<u>Patient service</u>	<u>Research</u>	<u>General and administrative</u>	<u>Total</u>
Salaries and benefits	\$ 355,881	257,570	194,663	808,114
Supplies and other	1,102,557	237,426	279,020	1,619,003
Depreciation and amortization	56,753	34,335	9,268	100,356
Interest	3,221	13,512	236	16,969
	<u>\$ 1,518,412</u>	<u>542,843</u>	<u>483,187</u>	<u>2,544,442</u>

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

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### **(18) COVID-19 Pandemic**

The Institute received \$0 and \$14,000 in Public Health and Social Services Emergency Fund distributions for the years ended September 30, 2023 and 2022, respectively. These distributions are not subject to repayment so long as the Institute meets certain terms and conditions, including among other things, that the funds are being used for lost operating revenues and COVID-related expenses, and have been recognized as other operating revenue in the consolidated statement of operations and changes in net assets. The CARES Act also provided for deferred payment of the employer portion of social security taxes through December 31, 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022. As of September 30, 2022, the Institute had deferred \$9,892, which was recorded within accrued payroll, payroll taxes, and amounts withheld from employee compensation. There was no remaining liability as of September 30, 2023.

The CARES Act also revised Medicare policies in order to temporarily boost Medicare reimbursement and allow for added regulatory flexibility, effective May 1, 2020, the annual 2% sequestration revenue reduction in Medicare fee-for-service and Medicare Advantage payments to hospitals, physicians and other providers was suspended through March 31, 2022 and limited to 1% from April 1, 2022 through June 30, 2022. The 2% sequestration revenue reduction resumed on July 1, 2022 and will continue through 2031. The impact on the Institute in fiscal year 2023 was not material.

**DANA-FARBER CANCER INSTITUTE, INC. AND SUBSIDIARIES**  
 Supplementary Schedule of Expenditures of Federal Awards  
 Year ended September 30, 2023

<u>Federal Agency</u>	<u>Federal Program</u>	<u>Pass Through Grantor</u>	<u>Program Title</u>	<u>CFDA</u>	<u>Pass-Through Grantor Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures Passed Through to Subrecipients</u>
Research and Development Cluster:							
Department of Agriculture	United States Department of Agriculture	CRDF Global	Agricultural Research Basic and Applied Research	10.001	R-202105-67765	\$ 30,000	—
	United States Department of Agriculture Total					30,000	—
Department of Agriculture Total						30,000	—
Department of Energy	Department of Energy	Department of Energy	Conservation Research and Development	81.086	DE-EE0008310	185,027	80,582
			Office of Science Financial Assistance Program	81.049	DE-SC0022024	510,415	154,377
	Department of Energy Total					695,442	234,959
Department of Energy Total						695,442	234,959
Department of Veterans Affairs	Department of Veterans Affairs	VA Palo Alto Health Care System	Research & Development	64.054	36C26121P0710	27,139	—
	Department of Veterans Affairs Total					27,139	—
Department of Veterans Affairs Total						27,139	—
National Science Foundation	National Science Foundation		Computer and Information Science and Engineering	47.070	2106696	67,423	—
			Mathematical and Physical Sciences	47.049		149,829	—
	National Science Foundation Total					217,252	—
National Science Foundation Total						217,252	—
NSF/Biological Sciences	National Science Foundation	State University of New York at Potsdam	Biological Sciences	47.074	2231900	40,811	—
	National Science Foundation Total					40,811	—
NSF/Biological Sciences Total						40,811	—
U.S. Department of Defense	Department of the Navy Office of the Chief of Naval Research	Wyss Institute at Harvard University	Basic and Applied Scientific Research Dept of Defense	12.300		254,829	198,374
			Basic and Applied Scientific Research Dept of Defense	12.300	N000014-20-2097	1,614	—
	Department of the Navy Office of the Chief of Naval Research Total					256,443	198,374
U.S. Army Medical Command			Military Medical Research and Development	12.420		14,630,024	1,422,177
			Military Medical Research and Development	12.420	W81XWH2020023	62,919	—
	Beth Israel Deaconess Medical Center		Military Medical Research and Development	12.420	W81XWH2116090	104,021	—
	Boston Children's Hospital		Military Medical Research and Development	12.420	W81XWH1820056	3,169	—
	Boston VA Medical Center		Military Medical Research and Development	12.420	W81XWH-17-1-0217	—	—
	Brigham & Women's Hospital		Military Medical Research and Development	12.420	W81XWH2010342	45,718	—
					W81XWH2110909	12,997	—
					W81XWH2120032	156,419	—
	Broad Institute		Military Medical Research and Development	12.420	W81XWH2210345	18,896	—
					W81XWH2210851	17,288	—
	Cedars-Sinai Medical Center		Military Medical Research and Development	12.420	W81XWH2010056	17,060	—
	Cleveland Clinic Foundation		Military Medical Research and Development	12.420	W81XWH2010137	4,293	—
	Harvard Medical School		Military Medical Research and Development	12.420	W81XWH2211046	16,928	—
	Mass Eye & Ear Infirmary Hospital		Military Medical Research and Development	12.420	W81XWH2210962	56,603	—
	Mayo Clinic College of Medicine		Military Medical Research and Development	12.420	W81XWH-15-1-0293	128,481	—
	Northwestern University		Military Medical Research and Development	12.420	W81XWH1610554	—	—
	SARC		Military Medical Research and Development	12.420	W81XWH-17-1-0695	5,865	—
	Stanford University		Military Medical Research and Development	12.420	W81XWH2210624	75,864	—
	The Johns Hopkins University		Military Medical Research and Development	12.420	W81XWH-17-1-0425	—	—
					(blank)	249	—
	University of Arkansas		Military Medical Research and Development	12.420	W81XWH-16-2-0038	16,385	—
	University of Virginia, Charlottesville		Military Medical Research and Development	12.420	W81XWH2210696	9,420	—
	Weill Medical College Cornell University		Military Medical Research and Development	12.420	W81XWH1910566	(1)	—
	U.S. Army Medical Command Total					15,383,198	1,422,177
U.S. Department of Defense Total						15,639,641	1,620,551
U.S. Department of Health and Human Services	Agency for Healthcare Research and Quality	Harvard Medical School	Research on Healthcare Costs, Quality and Outcomes	93.226	5R01HS026498-04	14,593	—
	Agency for Healthcare Research and Quality Total					14,593	—
	Centers for Disease Control and Prevention	Harvard School of Public Health	Occupational Safety and Health Program	93.262	2U19OH008861-15-00	54,336	—
	Centers for Disease Control and Prevention Total					54,336	—
	Food and Drug Administration	ECOG-ACRIN Medical Research Foundation, Inc.	Food and Drug Administration - Research	93.103	1U01FD007943-01	5,491	—
	Food and Drug Administration Total					5,491	—
	National Institute of Health		21st Century Cures Act - Beau Biden Cancer Moonshot	93.353		23,943,744	11,829,975
			Aging Research	93.866		2,353,324	829,450
			Allergy, Immunology and Transplantation Research	93.855		9,608,326	2,096,393
			Biomedical Research and Research Training	93.859		3,319,169	282,281
			Blood Diseases and Resources Research	93.839		3,677,805	913,290
			Cancer Biology Research	93.396		23,905,414	2,724,385
			Cancer Cause and Prevention Research	93.393		14,978,456	4,349,133
			Cancer Centers Support Grants	93.397		28,318,551	10,058,584
			Cancer Control	93.399		739,127	27,201
			Cancer Detection and Diagnosis Research	93.394		7,759,466	1,593,940
			Cancer Research Manpower	93.398		7,629,104	125,453
			Cancer Treatment Research	93.395		37,278,460	9,133,413
			Child Health and Human Development Extramural Research	93.865		621,458	—
			Diabetes, Endocrinology and Metabolism Research	93.847		5,902,120	353,135
			Discovery and Applied Res for Tech Innovations	93.286		380,805	—
			Drug Abuse and Addiction Research Programs	93.279		350,201	—



**DANA-FARBER CANCER INSTITUTE, INC. AND SUBSIDIARIES**  
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Federal Agency	Federal Program	Pass Through Grantor	Program Title	CFDA	Pass-Through Grantor Identifying Number	Federal Expenditures	Expenditures Passed Through to Subrecipients
Research and Development Cluster:							
			Extramural Res Prgrms in Neurosciences and Neurological Disease	93.853		\$ 729,330	—
			Heart and Vascular Diseases Research	93.837		89,007	—
			Human Genome Research	93.172		6,298,410	2,580,673
			Lung Diseases Research	93.838		945,697	154,052
			Medical Library Assistance	93.879		262,797	90,036
			Mental Health Research Grants	93.242		194,318	—
			Nursing Research	93.361		131,064	76,715
			Oral Diseases and Disorders Research	93.121		471,487	83,469
			Trans-NIH Research Support	93.310		1,670,019	—
			Vision Research	93.867		61,154	—
	Albert Einstein College of Medicine		Cancer Detection and Diagnosis Research	93.394	4UH3CA218149-03	25,362	—
			Cancer Treatment Research	93.395	1R21CA267539-01	43,650	—
					5R21CA267539-02	40,418	—
					SU01CA230997-04	9,067	—
	Baylor College of Medicine		Cancer Detection and Diagnosis Research	93.394	SU01CA230997-05	53,125	—
					SU01CA230997-06	823	—
			Cancer Treatment Research	93.395	R01CA269990	206,715	—
	Beckman Research Institute		Heart and Vascular Diseases Research	93.837	OT3HL152932	591,031	—
	Benaroya Research Institute at Virginia		Allergy, Immunology and Transplantation Research	93.855	SUM1A006965-08	243,429	—
	Beth Israel Deaconess Medical Center		Blood Diseases and Resources Research	93.839	SU01HD143365-03	—	—
					SU01HD143365-04	21,308	—
			Cancer Biology Research	93.396	5P01CA163227-08	74,971	—
					5P01CA163227-09	148,450	—
					5R01CA238263-03	1,547	—
					5P01CA163227-10	302,841	—
			Cancer Cause and Prevention Research	93.393	5P50CA101942-17	—	—
					5P50CA101942-18	59,612	—
			Cancer Centers Support Grants	93.397	2P50CA101942-16	237,087	—
					5P50CA101942-14	(126)	—
					5P50CA101942-16	199,702	—
					5P50CA101942-17	21,320	—
					5P50CA101942-18	131,315	—
					P50CA101942	285,606	—
					5P50CA101942-19	3,954	—
			Cancer Detection and Diagnosis Research	93.394	01063969	31,042	—
			Cancer Treatment Research	93.395	1R01CA262629-02	69,156	—
					5 R01 CA212649-03	60,541	—
					5R01CA212649-05	—	—
					SU01CA236489-04	82,924	—
					1R01CA262629-03	762	—
					5R01CA262629-03	22,027	—
			Heart and Vascular Diseases Research	93.837	5R01CA183605-05	(113)	—
	Boston Children's Hospital		Blood Diseases and Resources Research	93.839	1R01HL158192-01A1	136,652	—
					1R01HL167513-01	5,465	—
					2R01HL095791-11	17,403	—
					5R01HL150689-03	24,884	—
					5T32HL007574-40	108,924	—
					5T32HL007574-41	114,436	—
					5T32HL007574-42	11,166	—
					5T32HL574-40	49,670	—
					5T32HL574-41	43,955	—
			Cancer Biology Research	93.396	5R01CA19365-07	3,538	—
					5R01CA19365-08	11,705	—
					5R01CA19365-09	3,374	—
			Cancer Cause and Prevention Research	93.393	SU24CA248010-02	473	—
					SU24CA248010-03	17,244	—
			Cancer Detection and Diagnosis Research	93.394	5R01CA255216-02	(8,577)	—
					5R01CA255216-03	78,228	—
			Cancer Treatment Research	93.395	5R01CA227576-04	(3)	—
			Child Health and Human Development Extramural Research	93.865	5K12HD052896-15	68,281	—
			CONTRACT	CONTRACT	75N93019C00044	54,601	—
			Diabetes, Endocrinology and Metabolism Research	93.847	1RCZDK122533-04	96,510	—
					5R01DK121945-02	(112)	—
					5R01DK121945-04	35,896	—
					GENFD0002391938	4,218	—
					1RCZDK131963-01	89,000	—
					5RCZDK131963-02	28,262	—
					1RCZDK122533-05	107,975	—
					5R01DK121945-05	56,727	—
			Heart and Vascular Diseases Research	93.837	1R01HL146634-01	(538)	—
					OT3HL147741-01	11,246	—
					OT3HL147741-02	15,691	—
			National Center for Advancing Translational Sciences	93.350	SUL1TR002541-05	(240)	—
			National Institute of Health Health Program for Toxic Substance and Aging Research	93.161	5NLU81TS000296-04-00	1,412	—
	Boston Medical Center			93.866	5R01AG068892-03	—	—
					5R01AG072911-02	(34,706)	—
			National Center for Advancing Translational Sciences	93.350	SU01TR002070-05	49,016	—
	Boston University		Cancer Cause and Prevention Research	93.393	5R03CA256986-02	3,624	—
	Boston University School of Medicine		21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	SU22CA233238-05	132,846	—
	Brigham & Women's Hospital		Aging Research	93.866	4R33AG057388-04	(1,167)	—
					5R01AG070252-02	77,230	—
					5R01AG070252-03	54,501	—
			Allergy, Immunology and Transplantation Research	93.855	1R01A117307-01	51,680	—

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Research and Development Cluster:							
					5U01A1148306-03	\$ 6,327	—
					5U01A1148306-04	13,585	—
			Biomedical Research and Research Training	93.859	5T32GM007748-44	54,840	—
			Blood Diseases and Resources Research	93.839	5K12HL141953-05	137,914	—
					5T32HL116324-07	(1)	—
					5T32HL116324-08	(22,279)	—
					5T32HL116324-09	391,720	—
					T32HL116324-09	57,890	—
					5T32HL116324-10	32,792	—
			Cancer Biology Research	93.396	1R01CA269499-01	12,708	—
					1R37CA269499-01	3,892	—
					1U19CA264504-01	126,256	—
					1U19CA264504-02	14,413	—
					2R01CA187975-07	4,136	—
					5P01CA120964-15	206,585	—
					5P01CA20964-14	970	—
					5P01CA20964-15	16,624	—
					5P50CA165962-08	5,858	—
					5P50CA165962-09	127,653	—
					5U19CA264504-02	220,426	—
					5U19CA264504-03	6,564	—
					1U19CA264504-03	644	—
					5R37CA269499-02	3,626	—
					5P50CA165962-10	67,029	—
			Cancer Cause and Prevention Research	93.393	1R21CA267138-01	—	—
					5P01CA163205-08	(493)	—
					5R01CA124633-15	14,714	—
					5R01CA194302-02	—	—
					5R01CA236546-03	—	—
					5R01CA236546-04	17,630	—
					5R21CA252962-02	10,096	—
					5R37CA227190-04	—	—
					5R37CA227190-05	68,591	—
					5U01CA182913-09	16,140	—
					5R37CA227190-06	142,922	—
					5U01CA182913-10	1,805	—
					5R01CA236546-05	1,124	—
			Cancer Centers Support Grants	93.397	1P50CA206963-01A1	(3)	—
					2P50CA165962-06A1	—	—
					5P50CA165962-07	89,080	—
					5P50CA165962-08	5,674	—
					5P50CA165962-09	790,770	—
					5R01GM121612-05	28,951	—
					5P50CA165962-10	36,545	—
			Cancer Detection and Diagnosis Research	93.394	5R01CA203636-05	1,725	—
					5R01CA235589-03	—	—
					5R01CA235589-04	12,362	—
			Cancer Research Manpower	93.398	5K08CA241085-03	—	—
					5K08CA241085-04	15,065	—
					5K08CA241085-05	7,076	—
			Cancer Treatment Research	93.395	1P01CA236749-01A1	(771)	—
					3U10 CA180821-06S1	49,385	—
					3U10CA180821-09S2	578,674	—
					5P01CA069996-19	(2,219)	—
					5P01CA069996-20	(2,620)	—
					5P01CA163205-09	34,624	—
					5P01CA163205-10	129,124	—
					5P01CA236749-02	144,782	—
					5P01CA236749-03	372,693	—
					5P01CA236749-04	175,145	—
					5R01CA236702-04	23,069	—
					5R01CA236702-05	24,474	—
					5R01CA236749-02	—	—
					5R01CA236749-03	531,772	—
					5R37CA252312-03	14,461	—
					5U10CA180821-08	—	—
					5U10CA180821-09	164,865	—
					5U10CA180821-10	180,298	—
					5R01CA236749-04	201,392	—
			CONTRACT	CONTRACT	75F40122C00181	21,193	—
			Extramural Res Prgrms in Neurosciences and Neurological Disease	93.853	5R01NS121096-02	9,742	—
			Medical Library Assistance	93.879	1R01LM013891-01A1	40,911	—
					5R01LM013891-02	11,381	—
			Oral Diseases and Disorders Research	93.121	5R01DE028336-03	115	—
					5R01DE028336-04	18,947	—
					5R01DE028336-05	6,967	—
					5R01AT011729-13	8,409	—
					5R01AT011729-14	1,873	—
			Research and Training in Complementary and Alternative Medicine	93.213	1U2CCA252974	20,802	—
			21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	1U2CCA252974-01	16,665	—
					1U2CCA252974-02	6,517	—
					1U2CCA25974-01	2,658	—
					5U2CCA252974-02	88,084	—
					5U2CCA252974-03	599,810	—
					P01CA155258	(10)	—
					U01DE029188	46,105	—
					U2CCA252974	16,742	—

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Research and Development Cluster:							
					U2CCA252974-01	\$ 2,606	—
					5U2CCA252974-04	49,256	—
			Cancer Biology Research	93.396	5R33CA246455-02	—	—
					5R33CA246455-03	6,706	—
			Cancer Detection and Diagnosis Research	93.394	1U24CA264029-01	9,751	—
					1U24CA264029-02	(636)	—
					5U24CA264029-02	(872)	—
			Cancer Treatment Research	93.395	5U24CA264029-05	48,254	—
					1R01CA266642-01	23,288	—
					5R01CA188228-03	3,393	—
					5R01CA219943-05	165	—
					5R01CA222218-05	—	—
					5R01CA233626-03	29,333	—
					R01CA188228	13,006	—
					R01CA219943	2,621	—
					5R01CA266642-02	16,831	—
					5R01CA233626-04	10,179	—
			CONTRACT	CONTRACT	HHSN261201500031	(128)	—
					HHSN261201500031	—	—
					HHSN261201600031	—	—
			Drug Abuse and Addiction Research Programs	93.279	1U01DA053631-02	64,656	—
					5U01DA053631-03	21,318	—
			Human Genome Research	93.172	1U24HG012090-01	—	—
					5U24HG012090-02	9,774	—
					5U24HG012090-03	3,388	—
					5U1MH011986-02	218,893	—
					5U1MH011986-03	101,134	—
		Brown University	Cancer Biology Research	93.396	1R01CA263324-01A1	9,622	—
					5R01CA263324-02	6,041	—
			Cancer Detection and Diagnosis Research	93.394	5R01CA253976-02	36,895	—
					R01CA253976	70,286	—
		California Institute of Technology Care.coach Corporation	Trans-NIH Research Support	93.310	5U33HL145605-02	—	—
			Cancer Cause and Prevention Research	93.393	1R44CA236253-01A1	107,501	—
					5R44CA236253-02	(9)	—
		Cedars-Sinai Medical Center	Cancer Cause and Prevention Research	93.393	1R01CA244569-01A1	(2,591)	—
					1R01CA259558-01A1	147,244	—
					5R01CA211707-05	30,106	—
					5R01CA244569-02	(43,054)	—
					5R01CA244569-03	234,857	—
					5R01CA259558-02	22,989	—
					5R01CA244569-04	107,392	—
			Cancer Treatment Research	93.395	5R01CA252468-03	45,323	—
		Children's Hospital of Los Angeles	Cancer Treatment Research	93.395	1R37CA252236-01A1	11,897	—
					R37CA252236	1,201	—
		Children's Hospital of Philadelphia	Cancer Cause and Prevention Research	93.393	5R01CA180692-05	—	—
			Cancer Treatment Research	93.395	1U10CA180696-01	(70)	—
					1UG1CA189955-01	1,895	—
					1UM1CA228823-01	41,360	—
					2U10CA180696-06	(201)	—
					2U10CA180696-07	(44)	—
					310CA180666-07S1	20,430	—
					5U10CA180666-04S1	1,089	—
					7P01CA217959-05	381,858	—
			Nursing Research	93.361	5R01NR016223-06	5,049	—
		Cincinnati Children's Hospital Medical Center	Lung Diseases Research	93.838	R01HL157392-02	44,141	—
			Oral Diseases and Disorders Research	93.121	314787	160,529	—
					4UH3DE030401-02	158,975	—
		City of Hope	Cancer Cause and Prevention Research	93.393	5R21CA242218-03	221	—
					5R21CA242218-04	497,141	—
					5R21CA242218-05	39,491	—
			CONTRACT	CONTRACT	OTA-19-010	(9,012)	—
		Columbia University	Cancer Detection and Diagnosis Research	93.394	5UH2CA218149-03	(9,115)	—
		Cornell University	Cancer Detection and Diagnosis Research	93.394	1R01AL46165-01A1	79,096	—
					5R01AI46165-02	492	—
					5R01AI46165-04	94,418	—
		Drexel University	Allergy, Immunology and Transplantation Research	93.855	1R01AI178833-01	20,831	—
			Biomedical Research and Research Training	93.859	5P01AI150471-25	1,969	—
					5P01AI150471-26	316,304	—
		Duke University	21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	3U54CA231630-01A1S3	53,603	—
			Cancer Cause and Prevention Research	93.393	5U2CA2233254-04	(19,021)	—
					5UCA2233254-05	253,183	—
		ECOG-ACRIN Medical Research Foundation, Inc.	Cancer Control	93.399	2UG1CA189828-09	14,199	—
					3UG1CA189828-07S2	—	—
					5UG1CA189828-08	—	—
					5UG1CA189828-09	264,127	—
					5UG1CA189828-07	—	—
					5UG1CA189828-08	—	—
					5UG1CA189828-10	46,363	—
					UG1CA189828-10	2,584	—
					5UG1CA189828-09	22,439	—
			Cancer Detection and Diagnosis Research	93.394	5U24CA196172-03	13,435	—
					5U24CA196172-04	6,522	—
			Cancer Treatment Research	93.395	1U01CA274996-01	16,182	—
					3UG1CA189828-08S1	—	—
					5U01CA274996-02	1,778	—
		Elimu Informatics Inc.	CONTRACT	CONTRACT	75N91029C00019-1	82,858	—
		Emory University	Allergy, Immunology and Transplantation Research	93.855	5P01AI080192-05	(193)	—

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Research and Development Cluster:							
					5R37A1112787-05	\$ —	—
					5R37A1112787-08	(51,324)	—
					5R37A1112787-09	24,336	—
					5R37AL112787-07	—	—
					SU19A057266-14	—	—
					SUM1A1164562-02	40,842	—
					SUM1A1164562-03	31,346	—
			Cancer Treatment Research	93.395	5UG1CA233259-04	2,734	—
					5UG1CA233259-05	32,169	—
		Florida International University	Cancer Biology Research	93.396	SU01CA225730-02	—	—
					SU01CA225730-03	32	—
					SU01CA225730-04	89,171	—
					SU01CA225730-05	37,976	—
		Fox Chase Cancer Center	Cancer Treatment Research	93.395	1U01CA260369-02	10,188	—
					5R44CA156781-06	(14)	—
		Fred Hutchinson Cancer Research Center	Cancer Cause and Prevention Research	93.393	5R01CA248857-02	(44,915)	—
					SU01CA246659-03	7,416	—
					R01CA248857	101,332	—
					SU01CA246659-04	26,946	—
			Cancer Detection and Diagnosis Research	93.394	U24CA230144	81,590	—
			Cancer Treatment Research	93.395	5R01CA118953-12	1,601	—
		Georgetown University	Cancer Treatment Research	93.395	6R01CA118953-13	13,148	—
					5R01CA231291-03	—	—
					5R01CA231291-04	259	—
					5R01CA231291-05	21,823	—
		Harvard Medical School	Allergy, Immunology and Transplantation Research	93.855	5 P30 AI060354-19	18,524	—
					5R01AI056299-015	(104)	—
					5P01AI056299-18	214,759	—
					5P01AI112521-05	(37)	—
					5P30AI060354-18	—	—
					5P30AI060354-19	116,861	—
					5P30AI060354-20	24,155	—
					5R01AI146152-02	—	—
					T32AI007245-39	31,990	—
					5 P30 AI060354-20	11,501	—
			Biomedical Research and Research Training	93.859	5R01GM056663-24	7,927	—
					5R01GM123025-04	(1)	—
			Blood Diseases and Resources Research	93.839	5R01HL131768-06	—	—
			Cancer Biology Research	93.396	1R01CA273461-01	120,135	—
					5R01CA273461-02	44,683	—
			Cancer Cause and Prevention Research	93.393	5R01CA255035-02	7,256	—
					5R01CA255035-03	28,212	—
			Cancer Centers Support Grants	93.397	5P50CA101942-17	11,415	—
					5P50CA127003-14	30,684	—
					5P50CA240243-02	—	—
					5P50CA240243-03	19,748	—
			Cancer Detection and Diagnosis Research	93.394	5L1TR001857-05	—	—
					5UL1TR002541-03	(13)	—
			Human Genome Research	93.172	5U41HG00623-02	93	—
			National Center for Advancing Translational Sciences	93.350	5KL2TR002542-04	(2,574)	—
					5KL2TR002542-05	124,768	—
					5L1TR001857-03	(1)	—
					5UL1TR002541-02	(35)	—
					5UL1TR002541-04S2	7,499	—
					5UL1TR002541-05	216,359	—
					KL2TR002542-05	47,250	—
					5UL1TR002541-06	155,951	—
					KL2TR002542-06	67,829	—
					5KL2TR002542-06	73,997	—
			Trans-NIH Research Support	93.310	1UM1DA058230-01	11,301	—
		Harvard School of Public Health	21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	3P50CA244433-03S2	(492)	—
					5P50CA244433-03	1,965	—
					5P50CA244433-04	96,321	—
					5P50CA244433-05	8,293	—
			Cancer Cause and Prevention Research	93.393	1R01CA263532-01A1	9,912	—
					5R01CA240299-03	35,013	—
					5R01CA256233-02	1,897	—
					SU01CA176726-09	(2)	—
					SU01CA176726-10	11,975	—
					SU01CA209414-03	26,025	—
					SU01CA209414-04	51,767	—
					SU01CA209414-06	62,976	—
					R35CA197449-08	22,172	—
					SU01CA209414-07	25,210	—
					SU01CA176726-11	1,112	—
					R35CA197449-09	3,873	—
					5R01CA240299-04	16,842	—
			Cancer Detection and Diagnosis Research	93.394	1R01CA255194-01A1 REVISED	160,092	—
					5R01CA255184-2	13,917	—
			Cancer Research Manpower	93.398	5T32CA057711-28	(902)	—
					5T32CA057711-29	48,585	—
					5T32CA057711-30	1,812	—
			Cancer Treatment Research	93.395	R01CA263779-01	91,016	—
					R01CA263779-02	34,736	—
			CONTRACT	CONTRACT	36C24E18D0048	26,667	—
			Heart and Vascular Diseases Research	93.837	5R01HL089778-11	3,873	—
					5R01HL089778-12	7,039	—

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Research and Development Cluster:							
			Human Genome Research	93.172	1U01HG012064 2R01HG006399-11 2R01HG006399-12	\$ 24,960 38,103 67,200	— — —
			Trans-NIH Research Support	93.310	U01HG012064 3P50CA244433-02S1 3P50CA244433-03S1 5P50CA244433-03S3	24 1,814 22,662	— — —
	Harvard University		Allergy, Immunology and Transplantation Research	93.855	5P30AI060354-18 5P30AI060354-19 5P30AI060354-20	74,593 269,978 14,461	— — —
	Indiana University		CONTRACT	CONTRACT	75N92019D00018	102,186	—
	Kaiser Permanente		Cancer Biology Research	93.396	5R01CA251589-02 5R01CA251589-03 5R01CA251589-04 5UM1CA221939-05	2,844 30,795 3,625 13,606	— — — —
			Cancer Cause and Prevention Research	93.393	1R01CA240394-03 1R01CA240394-04	8,828 15,625	— —
			Cancer Detection and Diagnosis Research	93.394	5R01CA206196-05 75N91019D00024	10,626 39,354	— —
	Leidos Biomedical Research, Inc. Massachusetts General Hospital		CONTRACT	CONTRACT	5R01AG065254-03	174,743	—
			Aging Research	93.866	5R01AG065254-03 7R01AG065254-02	(369)	—
			Allergy, Immunology and Transplantation Research	93.855	1R01AI09188-01 5R01AI09188-02 5U19AI082630-09	58,717 65,715 (1,505)	— — —
			Cancer Cause and Prevention Research	93.393	1R01CA248923-01A1 1R01CA248923-02	80,339 46,493	— —
			Cancer Detection and Diagnosis Research	93.394	5R01CA227156-05 5R01CA244875-03 5U01CA182367-05 5U19AI082630-13 5U19AI082630-14 5U19AI082630-15	158,093 17,934 — — 108,958 18,862	— — — — — —
			Cancer Research Manpower	93.398	5R01CA244975-04 2T32CA009216-41 2T32CA009216-42 4569901 5K12CA087723-19 5T32CA071345-24 T32CA071345-24 T32CA071345-25 5T32CA071345-25 5T32CA071345-26 T32CA071345-26	88,518 (5,300) 45,564 51,860 22,578 (201) 50,971 59,784 184,768 20,938 6,810	— — — — — — — — — — —
			Cancer Treatment Research	93.395	1R01CA249062-01A1 5P01CA163222-03 5P01CA163222-04 5P01CA163222-09 5P01CA240239-03 5P01CA240239-04 5P01CA240239-05 5P01CA163222-05	340,468 — 149,579 306,682 — 16,021 — 50,324	— — — — — — —
			Diabetes, Endocrinology and Metabolism Research	93.847	1R01DK130839-01	8,761	—
			Heart and Vascular Diseases Research	93.837	1R01HL159187-01A1 5R01HL130539-05 R01HL159187	104,814 — 58,885	— — —
	Massachusetts Institute of Technology		Allergy, Immunology and Transplantation Research	93.855	1R01-AI152209-01 5R01-AI152209-02	4,268 243,160	— —
			Cancer Biology Research	93.396	5R01-AI152209-03 1U01CA214381-01A1 5U01CA214381-02 5U01CA214381-04 5U01CA214381-05 5U01CA215798-03 5U01CA215798-04 5U01CA215798-05	19,455 4,663 204 800 55,485 — — —	— — — — — — —
			Cancer Centers Support Grants	93.397	5U54CA217377-04 5U54CA217377-05	— 701	— —
			Cancer Detection and Diagnosis Research	93.394	US4CA261694 5 R33 CA191143-03	194,746 —	68,597 —
	Mayo Clinic College of Medicine		Cancer Detection and Diagnosis Research	93.394	5R01CA220468-05 1R01CA151801-01 1R01CA151801-02 1R01CA151801-03	(2,031) — 41,898 2,573	— — — —
			Cancer Treatment Research	93.395	5UG1CA189823-04	1,902	—
	Media Rez LLC		Cancer Cause and Prevention Research	93.393	2R44CA232905-02A1	—	—
	Medical College of Wisconsin		Heart and Vascular Diseases Research	93.837	5U01HL128568-05 5U01HL128568-07	76,755 841	— —
	Memorial Sloan-Kettering Cancer Center		Cancer Biology Research	93.396	5U54CA220457-05 U24CA274633	(166,984) 475,379	— —
			Cancer Cause and Prevention Research	93.393	1P01CA228696-01A1 5P01CA228696-02 5P01CA228696-02 5P01CA228696-03 BD526835	(170,320) 39,704 39,704 414,098 (2,164)	— — — — —
			Cancer Centers Support Grants	93.397	5P01CA228696-04 2P50CA092629-21A1 5P50CA247749-03	18,671 — 65,100	— — —

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Research and Development Cluster:							
			Cancer Treatment Research	93.395	5R01CA220568-03 5U01CA202939-03 5R01CA220568-04	\$ 2,100 139 3,933	— — —
			Heart and Vascular Diseases Research	93.837	5R01CA220568-05 5R01HL129472-02 5R01HL129472-04	232 (143) (211)	— — —
	Moffitt Cancer Center		Cancer Treatment Research	93.395	5R01CA233601-03 5R01CA233601-04	67,061 75,120	— —
	National Marrow Donor Program		Blood Diseases and Resources Research	93.839	5U01HL069249-13 5U10HL069249-13	6,116 (3,019)	— —
	New York University Grossman School of Medicine		Cancer Treatment Research	93.395	1R01CA244936-01A1 5R01CA244936-02 5R01CA244936-03	— 151 46,592	— — —
					5R01CA244936-04	9,154	—
	Northeastern University		Biomedical Research and Research Training	93.859	5R01GM120272-04 5R01GM121612-05	— (7,230)	— —
			Cancer Biology Research	93.396	1R01CA233978-01A1	—	—
			Cancer Research Manpower	93.398	5R25CA174650-08 5R25CA174650-09	— 13,106	— —
					5R25CA174650-10	4,157	—
			Cancer Treatment Research	93.395	5R01CA140292-02 5R01CA233978-03 5R01CA251730-03	— 70,994 50,255	— — —
					5R01CA251730-04	12,580	—
					5R01CA233978-04	225,166	—
	Northwestern University		Cancer Biology Research	93.396	5R01CA180475-03	(883)	—
			Cancer Cause and Prevention Research	93.393	5R01CA218436-06 5R01CA218436-07	34,472 10,089	— —
	NRG Oncology Fdn Inc		Cancer Control	93.399	5UG1CA189867-09	36,563	—
			Cancer Treatment Research	93.395	5U10CA180868-09 U10CA180868	(7,189) 7,805	— —
	Nvigen Inc		Cancer Detection and Diagnosis Research	93.394	75N9109C00035	—	—
	Ohio State University		Cancer Cause and Prevention Research	93.393	1R01CA266402-01 5R01CA266402-02	20,867 25,371	— —
			Cancer Detection and Diagnosis Research	93.394	5R01CA237133-05 U51CA233358	17,146 (1,267)	— —
	Oregon Health Sciences University		Cancer Centers Support Grants	93.397	5U54CA209988-03	(224)	—
			Cancer Treatment Research	93.395	5U1018088809	23,872	—
	Pennington Biomedical Research Center		Cancer Cause and Prevention Research	93.393	CA271279	147,972	—
					CA271279-DFC101	59,441	—
	Pennsylvania State University		Cancer Detection and Diagnosis Research	93.394	1U01CA212771-01	6,656	—
			Trans-NIH Research Support	93.310	5R01AI145057-04	(71,952)	—
	Public Health Institute		Cancer Treatment Research	93.395	3U10CA180886-08S1 3U10CA180886-10S1 3UG1CA189655-09S1	(371,482) 8,236 132,510	— — —
					5 U10 CA180794-08	837	—
					510CA180866-08	11,507	—
					510CA180866-09	495,971	—
					5U10CA180794-08	—	—
					5U10CA180794-09	364,432	—
					5U10CA180886-09	100,067	—
					7U10CA180794-08	91,028	—
					7U10CA180794-09	13,736	—
					7U10CA180886-08	—	—
					7UM1CA228823-04	25,245	—
					7UM1CA228823-04	75,272	—
					AR10417	15,920	—
					AR14109	92,275	—
					U10CA180886	176,690	—
					U10CA180886-09	44,927	—
					U1CA180886-02	16,010	—
					5U10CA180886-10	36,464	—
	Quadrige Biosciences, Inc.		Cancer Treatment Research	93.395	2R44CA174129-04	106,553	—
	Research Foundation of SUNY		Cancer Treatment Research	93.395	5R01CA224204-05	2,784	—
	Rockefeller University		Cancer Cause and Prevention Research	93.393	5R01CA204639-04 5R01CA204639-05	(2,445) (64,462)	— —
	Roswell Park Cancer Institute		Cancer Biology Research	93.396	5R01CA207757-02 5R01CA207757-03 5R01CA207757-04	— 467 (1,113)	— — —
	RTI International		Blood Diseases and Resources Research	93.839	67026L	183,583	—
	Rush University		Cancer Biology Research	93.396	5R01CA225993-04 5R01CA225993-05	(58) 8,719	— —
	Rutgers		Biomedical Research and Research Training	93.859	5R01GM129666-02	37	—
			Cancer Cause and Prevention Research	93.393	5R01CA149705-09 5R01CA149705-10	(20) 21,643	— —
	SARC		Cancer Treatment Research	93.395	U01CA236220-01	70,753	—
	Seattle Children's Hospital		Allergy, Immunology and Transplantation Research	93.855	1U01AL155335-01 1U01AL155335-02	(2,327) 204,973	— —
					1U54AI170855-01	250,949	—
					1U54AI170855-02	135,133	—
					5U01A170855-03	452,553	—
			Biomedical Research and Research Training	93.859	7U54AI150472-10 7U54AI150472-11	2,433 (21,037)	— —
			Cancer Cause and Prevention Research	93.393	1R01CA269574-01	6,349	—
	Seattle Institute for Biomedical and Cli		Cancer Cause and Prevention Research	93.393	5R01CA239208-04 5R01CA239208-05	10,207 9,055	— —
	St. Jude Children's Research Hospital		Cancer Cause and Prevention Research	93.393	1U54CA246124-01	79,310	—

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Research and Development Cluster:							
			Cancer Treatment Research	93.395	5U54CA246124-03 5R01CA216391-05 5R01CA216391-06 5U1MCA081457-23 5U1MCA081457-24	\$ (177) 10,343 88,368 88,368 39,763	— — — — —
Stanford University			Nursing Research	93.361	5U01CA081457	11,832	—
			Allergy, Immunology and Transplantation Research	93.855	1U19AI171421-01 5R01AI146152-04 5R01AI146152-05	41,876 33,193 23,430	— — —
			Cancer Treatment Research	93.395	5U19AI171421-02 5R01CA218278-05 5R01CA218278-06 CA289553 R01CA136851-14 R01CA136851	27,122 32,190 84,476 282,820 56,676 58,243	— — — — — —
The Hospital For Sick Children			Cancer Treatment Research	93.395	6610100320	98,749	—
The Johns Hopkins University			Cancer Cause and Prevention Research	93.393	U01CA210170	3,085	—
			Cancer Detection and Diagnosis Research	93.394	2U01CA210170-06	45,229	—
			Cancer Treatment Research	93.395	5U1MCA137443-10 REVISED 5U1MCA137443-10-REVISED	(13,282) 2,600	— —
Tufts University			Discovery and Applied Res for Tech Innovations	93.286	1R5EB027683-01A1	676	—
University of North Carolina-Chapel Hill			Trans-NIH Research Support	93.310	5U24DK116204-06	118,388	—
University of California-Los Angeles			Cancer Detection and Diagnosis Research	93.394	5R01CA213133-04	(59,972)	—
			Cancer Treatment Research	93.395	1R01CA267726-01 5R01CA213133-03	15,425 131	— —
			Mental Health Research Grants	93.242	5R01CA267726-02 5R01MH125252-02 2R01MH115676-06	43,107 22,828 20,282	— — —
University of Alabama-Birmingham			Cancer Cause and Prevention Research	93.393	5R01MH125252-03 5R01CA248439-02	70,396 23,237	— —
			Cancer Centers Support Grants	93.397	5R01CA248439-03 5 P50 CA107399-14 5P50CA107399-14	6,637 (393) 15,314	— — —
University of Arizona			Cancer Biology Research	93.396	5R01CA251729-02	53,242	—
University of California-San Francisco			Cancer Detection and Diagnosis Research	93.394	5R01CA251729-03 5R01CA249562-03S1 R01CA248774 R37CA269649 5R01CA240582-04S1	2,415 175,072 57,053 18,106 34,739	— — — — —
			Extramural Res Prgms in Neurosciences and Neurological Disease	93.853	5R01NS088355-05	(14,037)	—
			Maternal and Child Health Federal Consolidated Programs	93.110	SC1MC31881	3,369	—
			Mental Health Research Grants	93.242	5R01MH115676-04	20,742	—
University of California-San Diego			Biomedical Research and Research Training	93.859	5P41GM103504-13	5,651	—
University of California-Santa Cruz			Human Genome Research	93.172	1U01HG010971-04 1U01HG010971-05	70,463 11,725	— —
University of CapeTown			International Research and Research Training	93.989	1K43TW011986-01 1K43TW011986-02	(16,058) 57,496	— —
University of Chicago			Cancer Detection and Diagnosis Research	93.394	R37CA262781-01 R37CA262781-02	19,419 10,332	— —
University of Cincinnati			Extramural Res Prgms in Neurosciences and Neurological Disease	93.853	1R01NS119827-01A1	48,818	—
University of Colorado			Heart and Vascular Diseases Research	93.837	5R01HL127240-08	33,126	—
			Nursing Research	93.361	5U2CNR014637-09 5U2CNR014637-10	32,888 64,531	— —
University of Hawaii			Cancer Cause and Prevention Research	93.393	1R01CA263494-01A1 CA263087 5R01CA263494-02	18,325 27,641 5,739	— — —
University of Kansas Center for Research			Cancer Cause and Prevention Research	93.393	5R01CA249437-02	4,381	—
University of Michigan			Cancer Centers Support Grants	93.397	1P50CA272170-01 1P50CA272170-02 5U54CA163059-07 P50CA272170	399,135 22,016 70 46,224	— — — —
			Cancer Detection and Diagnosis Research	93.394	3U01CA086400-20 U01CA086400	(1,888) 37,120	— —
			Lung Diseases Research	93.838	1R01HL162661-01	23,897	—
University of Minnesota			Cancer Biology Research	93.396	2R01CA270539-01	3,867	—
University of Minnesota			Cancer Centers Support Grants	93.397	P50CA257911	23,047	—
University of North Carolina			Cancer Treatment Research	93.395	5R01CA201225-04	727	—
University of Oklahoma Health Sciences C			Cancer Treatment Research	93.395	1R21CA263638-01 5R21CA263638-02	27,365 16,110	— —
University of Pittsburgh			Allergy, Immunology and Transplantation Research	93.855	1U54AI170791-01 5U54AI170791-02	359,120 150,752	— —
			Biomedical Research and Research Training	93.859	5P50AI150481-15	650	—
			Cancer Detection and Diagnosis Research	93.394	U01CA271277-02 U01CA271277-03	158,868 221,016	— —
University of Southern California			Cancer Cause and Prevention Research	93.393	1R01CA263532-01A1	10,274	—
			Diabetes, Endocrinology and Metabolism Research	93.847	5R01CA263532-02	6,038	—
			Human Genome Research	93.172	5R01DK123333-02 1R01HG012133-01 5R01HG012133-02	23,451 3,016 376,155	— — —
University of Texas at Dallas			Cancer Detection and Diagnosis Research	93.394	5R01HG012133-03 2U24CA086368-22 2U24CA086368-23	58,984 23,612 9,520	— — —
					1U01CA271887-01 5U01CA271887-02	9,187 1,629	— —
University of Texas Health Science Cente			Cancer Cause and Prevention Research	93.393	5R01CA239342-03 5R01CA239342-04	— 17,272	— —
			Cancer Centers Support Grants	93.397	P50CA088268	(1,276)	—

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			Cancer Treatment Research	93.395	(blank)	\$ 246	—
			CONTRACT		HHSN261201200034I	54,878	—
		University of Texas, MD Anderson Cancer	Cancer Biology Research	93.396	5P01CA117969-17	100,515	—
					5P01CA117969-18	50,394	—
			Cancer Detection and Diagnosis Research	93.394	2U01CA086400-21	135,086	—
					U01CA086400-22	7,735	—
			Cancer Treatment Research	93.395	5UG1CA242609-04	16,509	—
					5UG1CA242609-05	21,257	—
		University of Washington	Cancer Treatment Research	93.395	3R21CA258242-01S1	19,118	—
		University of Wisconsin-Madison	Cancer Cause and Prevention Research	93.393	1U01CA253911-01	—	—
					5U01CA253911-02	247,569	—
			Cancer Control	93.399	3U01CA253911-02S1	11,883	—
					3U01CA253911-03S1	61,030	—
		UT Southwestern Medical Center	Cancer Detection and Diagnosis Research	93.394	5U01CA230694-06	17,978	—
					R01CA222900	53,723	—
		Vanderbilt University	Allergy, Immunology and Transplantation Research	93.855	5R01AI136301-04	—	—
					5R01AI136301-05	184,026	—
		Washington University	21st Century Cures Act – Beau Biden Cancer Moonshot	93.353	WU-23-0117	92,813	—
			Human Genome Research	93.172	5U41HG010972-04	84,174	—
					5U41HG010972-05	14,958	—
		Weill Medical College Cornell University	Arthritis, Musculoskeletal and Skin Diseases Research	93.846	1R56AR078696-01	2	—
			Cancer Biology Research	93.396	5R01CA230913-04	24,927	—
			Cancer Cause and Prevention Research	93.393	5R01CA244500-02	—	—
					5R01CA244500-03	31,120	—
					5R01CA246765-03	122,749	—
					R01CA256877-01	63,940	—
					5R01CA244500-04	18,254	—
			Cancer Centers Support Grants	93.397	5P50CA211024-04	—	—
					5P50CA211024-05	—	—
					5P50CA2110254-05	42,586	—
			Cancer Control	93.399	1U54CA272688-01	34,114	—
					5U54CA272688-02	4,964	—
			Diabetes, Endocrinology and Metabolism Research	93.847	1R01DK125817-01A1	(3,162)	—
					1R01DK132427-01	6,961	—
					5R01DK125817-02	83,651	—
					5R01DK132427-02	10,585	—
					5R01DK125817-03	8,863	—
		Western New England University	Cancer Detection and Diagnosis Research	93.394	1R21CA231000-01A1	(10,179)	—
		Whitehead Institute	Human Genome Research	93.172	2RM1HG009490-06	258,783	—
					5RM1HG009490-07	116,460	—
		Wyss Institute at Harvard University	21st Century Cures Act – Beau Biden Cancer Moonshot	93.353	1U54CA244726-01	(13,565)	—
					1U54CA244726-02	9,678	—
					5U54CA244726-02	(2,378)	—
					5U54CA244726-03	45,469	—
					5U54CA244726-04	405,498	—
					5U54CA244726-05	16,362	—
					U54CA244726	(225)	—
					U54CA244726-01	91,145	—
			Biomedical Research and Research Training	93.859	5R01GM131401-05	28,770	—
			Cancer Biology Research	93.396	1R01CA276459-01	4,867	—
					5U01CA021436-05	192	—
		Yale University	Blood Diseases and Resources Research	93.639	7U01HL120566-06	39,167	—
			Cancer Cause and Prevention Research	93.393	5R01CA258269-03	130,206	—
					5R01CA258269-04	30,828	—
			Trans-NIH Research Support	93.310	R01AI145057	234,340	—
		National Institute of Health Total				<u>214,097,284</u>	<u>47,370,175</u>
		U.S. Department of Health and Human Services Total				<u>214,171,704</u>	<u>47,370,175</u>
		Research and Development Cluster Total				<u>230,821,989</u>	<u>49,225,685</u>
		Other Federal Awards:					
		U.S. Department of Health and Human Services:	Health Resources and Services Administration	COVID-19: Provider Relief Fund	93.498	<u>8,103,817</u>	<u>—</u>
			Health Resources and Services Administration Total			<u>8,103,817</u>	<u>—</u>
		U.S. Department of Health and Human Services Total				<u>8,103,817</u>	<u>—</u>
		Other Federal Awards				<u>8,103,817</u>	<u>—</u>
		Total Expenditures of All Federal Awards				<u>\$ 238,925,806</u>	<u>49,225,685</u>

See accompanying independent auditors' report.



**DANA-FARBER CANCER INSTITUTE, INC. AND SUBSIDIARIES**  
Notes to Supplementary Schedule of Expenditures of Federal Awards  
Year ended September 30, 2023

**(1) Definition of Reporting Entity**

The accompanying Supplementary Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all federal awards of Dana-Farber Cancer Institute, Inc. and Subsidiaries (the Institute). All federal awards received directly from federal agencies, as well as federal awards passed through to the Institute from other agencies, are included on the Schedule. The Schedule also denotes Assistance Listing Numbers for each award and awards passed through from the Institute to other nonfederal subrecipient organizations.

**(2) Basis of Presentation**

The Schedule is prepared on the accrual basis of accounting. Since the Schedule presents only a selected portion of the operations of the Institute, it is not intended to, and does not present the consolidated financial position or changes in net assets of the Institute.

**(3) Indirect Costs**

Indirect costs are charged to federal grants and contracts at federally approved predetermined rates. The predetermined rate for the year ended September 30, 2023 was 78%. Indirect costs recovered are included in reported federal expenditures. The Institute has elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



KPMG LLP  
Two Financial Center  
60 South Street  
Boston, MA 02111

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

The Board of Trustees  
Dana-Farber Cancer Institute, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Dana-Farber Cancer Institute, Inc. and its subsidiaries (the Institute), which comprise the Institute's consolidated balance sheet as of September 30, 2023, and the related consolidated statements of operations and changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 19, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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



### **Purpose of This Report**

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

KPMG LLP

Boston, Massachusetts  
January 19, 2024



KPMG LLP  
Two Financial Center  
60 South Street  
Boston, MA 02111

Exhibit III

**Independent Auditors' Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance; and Report on Supplementary Schedule of  
Expenditures of Federal Awards Required by the Uniform Guidance**

The Board of Trustees  
Dana-Farber Cancer Institute, Inc. and Subsidiaries:

**Report on Compliance for Each Major Federal Program**

*Opinion on Each Major Federal Program*

We have audited Dana-Farber Cancer Institute, Inc.'s (the Institute) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Institute's major federal programs for the year ended September 30, 2023. The Institute's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Institute complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

*Basis for Opinion on Each Major Federal Program*

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

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

*Responsibilities of Management for Compliance*

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



### *Auditors' Responsibilities for the Audit of Compliance*

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Institute's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Institute's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

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

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



## **Report on Supplementary Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the consolidated financial statements of the Institute as of and for the year ended September 30, 2023, and have issued our report thereon dated January 19, 2024, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*KPMG LLP*

Boston, Massachusetts  
May 29, 2024

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

Schedule of Findings and Questioned Costs

Year ended September 30, 2023

**(1) Summary of Auditors' Results**

*Consolidated Financial Statements*

Type of auditors' report issued on whether the consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- Material weaknesses?  Yes  No
- Significant deficiencies?  Yes  None reported

Noncompliance material to consolidated financial statements noted?

Yes  No

*Federal Awards*

Internal control over major program:

- Material weaknesses?  Yes  No
- Significant deficiencies?  Yes  None reported

Type of auditors' report issued on compliance for major program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of Uniform Guidance?

Yes  No

*Identification of Major Programs*

<b>Identification of Major Programs</b>	<b>Assistance Listing Number</b>
Research and Development Cluster COVID-19: Provider Relief Fund	Various 93.498

Dollar threshold used to distinguish between Type A and Type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

Yes  No

**(2) Findings Relating to the Consolidated Financial Statements Reported in Accordance with Government Auditing Standards**

None

**(3) Findings and Questioned Costs Relating to Federal Awards**

None