

The Broad Institute, Inc.

**Report on Federal Awards in
Accordance with the Uniform Guidance
For the Year Ended June 30, 2023
EIN # 26-3428781**

The Broad Institute, Inc.

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June 30, 2023

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**Part I - Consolidated Financial Statements and Schedule of
Expenditures of Federal Awards**



Report of Independent Auditors

To the Board of Directors of The Broad Institute, Inc.

Opinion

We have audited the accompanying consolidated financial statements of The Broad Institute, Inc. and its subsidiary (the "Institute"), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 audit. 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 accounting principles generally accepted in the United States of America, 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 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 US GAAS 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 US GAAS, 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.

PricewaterhouseCoopers LLP

Boston, Massachusetts
November 3, 2023

The Broad Institute, Inc.
Consolidated Statements of Financial Position
June 30, 2023 and 2022

(in thousands of dollars)

	2023	2022
Assets		
Cash and cash equivalents	\$ 441,770	\$ 872,514
Agency cash	10,463	10,467
Accounts receivable, net	98,818	113,072
Materials and supplies inventory, net	18,208	46,332
Prepaid expenses and other assets, net	42,694	28,237
Pledges receivable, net	178,721	160,435
Beneficial interest in trust	1,747	61,334
Investments	1,382,657	962,122
Property, plant and equipment, net	464,123	436,867
Operating lease right-of-use assets, net	35,131	36,786
Total assets	<u>\$ 2,674,332</u>	<u>\$ 2,728,166</u>
Liabilities		
Accounts payable	\$ 17,970	\$ 22,727
Accrued expenses and other liabilities	125,068	206,285
Agency funds payable	10,463	10,467
Advance payments	113,038	141,596
Operating lease liabilities	36,378	38,145
Finance lease obligation	97,415	98,070
Debt, net	236,354	251,453
Total liabilities	<u>636,686</u>	<u>768,743</u>
Net assets		
Without donor restrictions	718,447	704,704
With donor restrictions	1,319,199	1,254,719
Total net assets	<u>2,037,646</u>	<u>1,959,423</u>
Total liabilities and net assets	<u>\$ 2,674,332</u>	<u>\$ 2,728,166</u>

The accompanying notes are an integral part of these consolidated financial statements.

The Broad Institute, Inc.
Consolidated Statements of Activities
Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<i>(in thousands of dollars)</i>						
Operating activities						
Revenues and other support						
Grants and contracts	\$ 454,227	\$ 622	\$ 454,849	\$ 470,637	\$ 1,249	\$ 471,886
Endowment returns made available for operations	34,004	4,688	38,692	30,377	2,435	32,812
Fees and services	77,809	-	77,809	356,499	-	356,499
Contributions, net	592	238,819	239,411	687	158,850	159,537
Other income	38,208	-	38,208	20,231	-	20,231
Net assets released from restrictions	108,673	(108,673)	-	79,697	(79,697)	-
Total revenues and other support	<u>713,513</u>	<u>135,456</u>	<u>848,969</u>	<u>958,128</u>	<u>82,837</u>	<u>1,040,965</u>
Expenses						
Research and testing	582,100	-	582,100	702,951	-	702,951
Management and general	140,193	-	140,193	113,962	-	113,962
Total operating expenses	<u>722,293</u>	<u>-</u>	<u>722,293</u>	<u>816,913</u>	<u>-</u>	<u>816,913</u>
(Loss) Income from operations	<u>(8,780)</u>	<u>135,456</u>	<u>126,676</u>	<u>141,215</u>	<u>82,837</u>	<u>224,052</u>
Nonoperating activities						
Nonoperating gains (losses)						
Investment return, net	22,523	27,303	49,826	(5,730)	(39,329)	(45,059)
Change in beneficial interest in trust	-	(59,587)	(59,587)	-	(2,385)	(2,385)
Endowment returns made available for operations	-	(38,692)	(38,692)	-	(32,812)	(32,812)
Total nonoperating gains (losses), net	<u>22,523</u>	<u>(70,976)</u>	<u>(48,453)</u>	<u>(5,730)</u>	<u>(74,526)</u>	<u>(80,256)</u>
Increase in net assets	13,743	64,480	78,223	135,485	8,311	143,796
Net assets						
Beginning of year	<u>704,704</u>	<u>1,254,719</u>	<u>1,959,423</u>	<u>569,219</u>	<u>1,246,408</u>	<u>1,815,627</u>
End of year	<u>\$ 718,447</u>	<u>\$ 1,319,199</u>	<u>\$ 2,037,646</u>	<u>\$ 704,704</u>	<u>\$ 1,254,719</u>	<u>\$ 1,959,423</u>

The accompanying notes are an integral part of these consolidated financial statements.

The Broad Institute, Inc.
Consolidated Statements of Cash Flows
Years Ended June 30, 2023 and 2022

<i>(in thousands of dollars)</i>	2023	2022
Cash flows from operating activities		
Increase in net assets	\$ 78,223	\$ 143,796
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation	52,620	44,509
Non-cash lease expense	9,531	9,571
Amortization of premium on issued debt	(2,624)	(2,697)
Realized and unrealized (gains) losses, net	(23,187)	46,953
Gain on disposal of equipment, net	(272)	(7)
Fair value of equity position received in exchange for intellectual property	(20,139)	-
Contributions used for long-term investments	(60,000)	(44,130)
Change in pledges receivable, net	(18,286)	(35,674)
Change in accounts receivable, net	14,254	21,162
Change in materials and supplies inventory, net	28,124	18,070
Change in prepaid expenses and other assets	(14,457)	(9,565)
Change in advance payments	(28,558)	4,385
Change in operating assets	19,149	46,966
Change in operating lease liability	(9,643)	(9,683)
Change in operating liabilities	(54,340)	(25,680)
Net cash, cash equivalents and restricted cash (used in) provided by operating activities	<u>(29,605)</u>	<u>207,976</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(80,882)	(47,009)
Proceeds from sale of equipment	165	18
Purchases of investments	(389,851)	(101,066)
Proceeds from sale of investments	22,559	29,552
Net cash, cash equivalents and restricted cash used in investing activities	<u>(448,009)</u>	<u>(118,505)</u>
Cash flows from financing activities		
Payments on finance leases	(655)	(623)
Payments on debt	(12,475)	(12,530)
Contributions used for long-term investments	60,000	44,130
Net cash, cash equivalents and restricted cash provided by financing activities	<u>46,870</u>	<u>30,977</u>
Net (decrease) increase in cash, cash equivalents and restricted cash	(430,744)	120,448
Cash, cash equivalents and restricted cash		
Beginning of year	<u>872,514</u>	<u>752,066</u>
End of year	<u>\$ 441,770</u>	<u>\$ 872,514</u>
Supplemental cash flow information:		
Transfer of beneficial interest in trust	\$ 59,878	\$ -
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 7,876	\$ -
Accrual due to the inventors and other institutions	\$ 7,716	\$ -
Supplemental disclosure of noncash investing and financing activities:		
Capital expenditures accrued	\$ 7,643	\$ 8,756
Cash paid for interest	\$ 15,369	\$ 15,966

The accompanying notes are an integral part of these consolidated financial statements.

The Broad Institute, Inc.

Notes to the Consolidated Financial Statements

June 30, 2023 and 2022

1. Organization and Purpose

The Broad Institute, Inc. (the "Institute") located in Cambridge, Massachusetts, is a non-profit organization existing under the laws of the Commonwealth of Massachusetts. The Institute is organized as a collaboration of the Massachusetts Institute of Technology ("MIT"), Harvard University ("Harvard") and the Harvard-Affiliated Hospitals, around scientific programs and platforms, bringing together biology and technology-focused scientists to jointly build, apply, and share with scientists worldwide the cutting-edge tools and knowledge needed to revolutionize medical knowledge and practice.

The Institute was first established in 2003 as a laboratory of MIT with an initial \$200 million operating gift from The Eli and Edythe Broad Foundation. To secure the permanency of the Institute, The Eli and Edythe Broad Foundation pledged an additional endowment gift of \$400 million on July 1, 2009 and the Institute became an independent 501(c) (3) organization under a collaboration agreement between the Institute, Harvard, MIT and The Broad Foundation (the "Members").

The accompanying consolidated financial statements include the Clinical Research Sequencing Platform, LLC, a wholly owned and controlled subsidiary, which develops, maintains and operates a clinical laboratory at the Institute.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements present the activities of the Institute as a whole, including affiliated organizations controlled by the Institute, and have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Intercompany accounts and transactions have been eliminated in preparing the consolidated financial statements. Resources are classified based on the existence or absence of donor-imposed or other external restrictions. Accordingly, net assets of the Institute and changes therein are classified and reported as follows:

Net Assets With Donor Restrictions

Net assets with donor restrictions include donor gifts to be held in perpetuity. Generally, the donors of these assets permit the Institute to use all or part of the income earned and capital appreciation, if any, on related investments for general or specific purposes. Also included are net assets whose use is subject to donor-imposed stipulations that can be fulfilled by actions of the Institute and/or the passage of time. Unspent gains on endowments held in perpetuity are classified as net assets with donor restrictions until the Institute appropriates and spends such sums in accordance with Massachusetts law, at which time they will be released to revenues without donor restrictions.

Net Assets Without Donor Restrictions

Net assets not subject to explicit donor-imposed stipulations. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law. Expirations of restrictions on net assets where, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets. Amounts received for grants and contracts (under exchange transactions) are reflected in grants and contracts revenue or as advance payments if expenditures have yet to be incurred.

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Notes to the Consolidated Financial Statements

June 30, 2023 and 2022

Contributions

Contributions, including unconditional promises to give, are recognized when received. Contributions other than cash are generally recorded at fair value on the date of the gift. Contributions of securities are generally liquidated when received, unless restricted from doing so. The Institute reports contributions in the form of equipment as operating support without donor restrictions at fair market value when received. The Institute receives contributions from related parties in the ordinary course of business.

Promises to give that are scheduled to be received after the statement of financial position date are shown as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the purpose or items' restrictions are met. Promises to give, subject to donor-imposed stipulations that the corpus be maintained permanently, are recognized as increases in net assets with donor restrictions. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at the appropriate rate commensurate with risk. Amortization of such discount is recorded as additional contribution revenue in accordance with restrictions imposed by the donor on the original contribution, as applicable. Fundraising expenditures for the years ended June 30, 2023 and 2022 were \$3.4 million and \$4.3 million, respectively.

Dividends, interest and net gains on endowment investments and similar funds are reported as follows:

- As increases in net assets with donor restrictions if the terms of the gift require that they be added to the corpus of an endowment fund invested in perpetuity or if the terms of the gift or relevant state law impose restrictions on the current use of the income or net realized and unrealized gains; and
- As increases in net assets without donor restrictions in all other cases.

Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with a maturity of three months or less at the time of purchase. Cash and cash equivalent balances in excess of federally insured maximums are maintained with financial institutions the Institute considers to be of high credit quality. Cash and cash equivalents that may be held in the investment portfolio are included in the investments line item on the statements of financial position. The Institute has made a policy election to treat all short-term highly liquid investments held in the investment portfolio as investments in the statements of financial position, even though they otherwise meet the definition of cash equivalents. These amounts have also been excluded from beginning and ending balances of cash in the statements of cash flows.

Agency Cash

Agency cash consists of amounts held by the Institute that relate to funds for the Starr Cancer Consortium ("SCC"). An offsetting amount is recorded for the same amount in liabilities as agency payable. Funds awarded to the Institute by SCC were \$1.5 million and \$2.1 million for the years ended June 30, 2023 and 2022, respectively.

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Notes to the Consolidated Financial Statements

June 30, 2023 and 2022

Materials and Supplies Inventory

Materials and supplies inventory primarily relates to the Institute's laboratory operations. The Institute uses the moving average cost basis to account for its inventory which is valued at the lower of cost or net realizable value. Due to the wind-down of COVID-19 testing operations at June 30, 2023, all inventory purchased exclusively for use in that operation was either consumed or disposed of. This resulted in the write-off during the year ended June 30, 2023 of approximately \$19 million of inventory.

Capitalized Software Costs

Capitalized software implementation costs are capitalized in accordance with ASC 350, *Intangibles-Goodwill and Other*, beginning with the application development stage, and are amortized over their useful lives of 5-10 years. The Institute is investing in a new Enterprise Resource Planning system (ERP), with substantial up-front capital costs for the design, build, and implementation prior to go-live, with an in-service date during the year ending June 30, 2024. Capitalized software implementation costs, included in prepaid expenses and other assets, net, were \$12.3 million and \$4.8 million as of June 30, 2023 and 2022, respectively. No amortization expense for capitalized software was recorded during 2023 and 2022.

Beneficial Interest in Trust

The Institute has a beneficial interest in a trust. Accordingly, the Institute recognizes its interest in the trust on the statements of financial position with changes in its interest recognized in the nonoperating section of the statements of activities. The timing and amounts of pledges and distributions are based upon trustee approval and are reported as gifts with donor restrictions. The Institute did not receive pledges from the trust during the years ended June 30, 2023 and 2022. However, during the year ended June 30, 2023, there was a board approved transfer of assets from the trust to the Institute as described in Note 5.

Investments

Investments are carried at fair value. Investment transactions are recorded on the trade date. Investment return is presented net of investment fees.

Property, Plant and Equipment

Property, plant and equipment are stated at cost or if received by gift or donation, at fair value, at date of gift. When assets are retired or otherwise disposed of, both the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reported as income or expense for the period. The cost of repairs and maintenance is expensed as incurred, while significant renewals and betterments are capitalized. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Building and building improvements	10–25 Years
Equipment	3–8 Years
Leasehold improvements	The shorter of useful life or remaining lease term
Financing leases	The shorter of useful life or remaining lease term

Debt interest costs related to construction projects are capitalized as part of the project during construction.

The Broad Institute, Inc.

Notes to the Consolidated Financial Statements

June 30, 2023 and 2022

Leases

The Institute determines if a contract is considered or contains an embedded lease at inception of the agreement. The Institute's right-of-use assets represent the right to use the underlying assets for the lease term and the lease liabilities represent the Institute's obligation to make lease payments arising from the leases. The lease commencement date is when the asset is available for use and in possession of the Institute. Right-of-use assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Institute has elected to apply a risk-free rate as of the date of implementation, using the applicable "U.S. Department of Treasury Daily Treasury Yield Curve Rates" as the basis for its discount rate. The lease standard requires organizations to record a right-of-use asset and lease liability for all leases with a term longer than 12 months. The Institute has elected not to record leases of less than twelve months on the consolidated statements of financial position. The Institute's lease agreements do not contain any material restrictive covenants.

The Institute's leases are for real estate, used for laboratory space, parking, inventory warehousing and other administrative offices. The Institute's real estate lease agreements typically have initial terms of 15 months to 15 years. These real estate leases may include one or more options to renew, extending the lease term. The exercise of lease renewal options is at the Institute's sole discretion. The lease term, which includes any options to renew that are reasonably certain to be exercised, is based on the terms of the contract. The Institute recognizes operating lease expense on the statements of activities on a straight-line basis over the lease term.

Finance lease assets are amortized on a straight-line basis over the lease term, and are included within property, plant and equipment, net on the consolidated statements of financial position. Interest expense associated with finance leases is recorded using the effective interest method.

Advance Payments

Advance payments represent amounts received by the Institute from corporations, foundations and other external customers or sponsors under terms that generally require assets, rights, or privileges to be exchanged between the Institute and the customer or sponsor. Revenue is recognized as expenses are incurred on customer contracts or sponsored projects.

Deferred Charges

Deferred charges represent differences in timing between incurred expenses and billing, including the carry-forward of over and under recoveries of indirect costs related to research contracts and grants. Deferred charges also include work in progress in the specialized services facilities, net of payments to date. These balances are included in prepaid expenses and other assets, net or in accrued expenses and other liabilities on the statements of financial position, depending on their position at June 30. At June 30, 2023 and 2022, there were \$9.9 million and \$2.1 million, respectively, in deferred charges in prepaid expenses and other assets, and at June 30, 2023 and 2022, deferred charges included in accrued expenses and other liabilities were \$8.6 million and \$59.9 million, respectively.

Deferred Financing Costs

Costs incurred in connection with the issuance of bonds have been deferred and are being amortized over the term of the obligation using the effective interest method. Unamortized bond issuance costs were \$659 thousand and \$748 thousand at June 30, 2023 and 2022, respectively. These costs are presented as a deduction from debt on the statements of financial position.

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Notes to the Consolidated Financial Statements

June 30, 2023 and 2022

Operations

The statements of activities report the Institute's operating and nonoperating activities. Operating revenues and expenses consist of those activities attributable to the Institute's current annual research programs, contributions received, and other services and fees. Nonoperating activities include net investment return and changes in beneficial interest in trust.

Grants and Contracts Revenue

The Institute recognizes revenue from external organizations for services provided under exchange and nonexchange grants and contracts. The majority of research grant revenue pertains to nonexchange transactions. Unconditional grants and contracts are recognized as revenue in the period received in the appropriate net asset category, based on the existence or absence of donor-imposed restrictions. If donor-imposed restrictions are present, the associated revenue is reported as an increase in net assets with restriction and are reclassified to net assets without donor restrictions when the restrictions are met. Grants and contracts revenues whose restrictions are met in the same reporting period are reported as net assets without donor restriction.

Revenues from nonexchange transactions may be subject to conditions in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). The Institute recognizes revenue earned from conditional nonexchange grants and contracts as these conditions are satisfied. The Institute held \$785.1 million and \$580.2 million of conditional grants and contracts not recognized as revenue in the statements of activities, at June 30, 2023 and 2022, respectively.

Revenues from exchange transactions are recognized as the Institute satisfies performance obligations, which in some cases mirrors the timing of when related costs are incurred. Unrecognized revenue under grants and contracts for which contractual performance obligations have not yet been made or the right to recognize revenue is dependent on future events totaled \$335.5 million and \$286.0 million at June 30, 2023 and 2022, respectively.

Research grants provide for the recovery of direct and indirect costs. Direct and indirect costs charged to federal grants are subject to federal audit. Related indirect costs from federal grants are recorded at a fixed rate with carry-forward of over or under recoveries, which have been negotiated with the federal government through June 30, 2023. The carry-forward is included in the calculation of negotiated fixed rates in future years. Any adjustment in the rate is included or deducted from grants and contracts revenue. The Institute received 58% and 53% of its grants and contracts revenues from governmental agencies for the years ended June 30, 2023 and 2022, respectively. The Institute received 96% and 95% of this revenue from the National Institutes of Health for the years ended June 30, 2023 and 2022, respectively.

Revenue Recognition for Contracts with Customers

Revenue for fees and services is recognized in accordance with the guidance under Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*. ASC 606 applies to all contracts with customers, except those contracts that are within the scope of other guidance, such as leases, insurance, and financial instruments. Revenue is recognized when a customer obtains control of promised goods or services, in an amount that reflects the consideration expected to be received in exchange for those goods or services. To determine revenue recognition for arrangements that are within the scope of ASC 606, the following five steps are performed: (i) identify the contract with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) performance obligations are satisfied. The five-step model is only applied to contracts when it is probable that the Institute will collect the consideration it is entitled to in exchange for the goods or services transferred.

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Notes to the Consolidated Financial Statements

June 30, 2023 and 2022

At contract inception, the Institute assesses the goods or services promised within each contract, determines those that are performance obligations, and assesses whether each promised good or service is distinct. Revenue is recognized at the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. The payment terms for goods or services are stated within each contract and agreed upon with the customer. Typical payment terms provide that the customer pay the Institute within thirty to sixty days of invoicing. Revenue can be recognized at a point-in-time or over time depending on the nature of the customer contract.

Revenue is measured as the amount of consideration expected to be received in exchange for transferring products or services to a customer. To the extent the transaction price includes variable consideration, the Institute estimates the amount of variable consideration that should be included in the transaction price utilizing the expected value method to which it is expected to be entitled. Variable consideration is included in the transaction price if, in the Institute's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. Estimates of variable consideration and the determination of whether to include estimated amounts in the transaction price are based on information (e.g., historical, current, and forecasted) that is reasonably available. The Institute's contracts with customers generally do not include a significant financing component as payment from customers does not occur either significantly before or significantly after performance. The Institute estimates the collectability of contracts at contract inception.

Contracts may be modified to account for changes in contract specifications and requirements. Contract modifications exist when the modification either creates new, or changes the existing, enforceable rights and obligations. Generally, contract modifications are for products or services that are distinct from the existing contract due to the ability to use, consume, or sell the products or services on their own to generate economic benefits and are accounted for as if they were a separate contract. The effect of such a contract modification on the transaction price and measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue on a prospective basis.

Fees and Services Revenue

In response to the COVID-19 pandemic, the Institute partnered with the Commonwealth of Massachusetts to service the public health needs of the community and surrounding areas by developing a novel automation system for COVID-19 test processing that is scalable, modular, and high-throughput. The Institute provided COVID-19 testing services through contracts with the Massachusetts Department of Public Health for the "Stop the Spread" initiative across high-impact communities, and with hospitals and clinics, nursing homes, long-term care facilities, homeless shelters, and educational institutions. The Institute invested in new equipment, construction, and hired additional personnel to successfully convert a clinical laboratory into a high-throughput COVID-19 testing facility.

In accordance with ASC 606, revenue for COVID-19 testing services is recognized at a point in time as work is performed and the contractual obligation is satisfied. Payments received prior to the work being performed are recorded as advance payments in the consolidated statements of financial position. The amounts of payments received for COVID-19 testing which had not yet been performed at June 30, 2023 and 2022 were \$1.8 million and \$25.0 million, respectively. Customers who have been billed in arrears and have an outstanding receivable balance as of June 30 have been evaluated for uncertainty regarding collectability and the balances have been reserved for appropriately together with reserves for other outstanding receivables reflected in the consolidated statements of financial position. During the fiscal year-ended June 30, 2023, the

The Broad Institute, Inc.

Notes to the Consolidated Financial Statements

June 30, 2023 and 2022

demand for the COVID-19 testing program declined and testing operations officially ended as of June 30, 2023.

In addition to COVID-19 testing revenue, fees and services revenue primarily consists of revenue recognized under exchange contracts pertaining to the operation of the Institute's specialized service facilities. As a practical expedient, the Institute has elected to recognize revenue based on the amount invoiced to the customer, as the amount invoiced directly corresponds to the value received and the Institute's performance completed to date. Under ASC 606, fees and services revenue is recognized upon completion of services performed which is when customers are invoiced as the Institute has determined that this is the point at which the performance obligation is met.

Other Income

Other income primarily consists of right-to-use intellectual property licensing revenue that is recognized at the time the customer is granted access to the intellectual property and can begin deriving benefit from that use. Additionally, customers who generate revenue from the sales of products and services derived from licensed intellectual property pay royalties to the Institute.

The Institute will routinely accept a minority equity position in early-stage research organizations from certain customers in exchange for the use of intellectual property. When no readily determinable market value exists at the time of the exchange for these early-stage companies, the Institute will initially record the transaction at the cost of the shares received. The Institute will record the fair value for the shares at the point in time a value is determined, often at the date of the customer's initial public offering. After the initial valuation date any subsequent change in fair value of the marketable securities is reflected as an unrealized gain or loss on investment.

The Institute recognized \$33.5 million and \$16.4 million under intellectual property licensing "right to use" and royalty agreements for the years ended June 30, 2023 and 2022, respectively. Under some intellectual property licensing contracts, the Institute may be entitled to additional revenue based on the achievement of certain milestones by customers. For the years ended June 30, 2023 and 2022, revenue related to milestone achievements was \$6.0 million and \$12.0 million, respectively. There were no material contractual performance obligations that had not been met for the years ended June 30, 2023 and 2022.

Retirement Plan

The Institute maintains a retirement plan under Internal Revenue Code 401(k). This plan is funded from both employee voluntary contributions through payroll deductions and a company match contribution. The Institute matches participant contributions dollar for dollar up to 6% as well as an additional discretionary contribution on applicable compensation to eligible employees. Discretionary contributions were 3% for the years ended June 30, 2023 and 2022. Employer contributions to the plan for the years ended June 30, 2023 and 2022 totaled \$20.4 million and \$16.7 million, respectively.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. The Institute's significant estimates include the valuation of its investments as well as the estimated useful lives and net realizable value of fixed assets. Actual results could differ from those estimates.

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Tax Status

The Institute is a qualified tax-exempt organization under section 501(c)(3) of the Internal Revenue Code.

Recent Accounting Pronouncements

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. This standard aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software or software licenses. Eligible costs associated with cloud computing arrangements, such as software business applications used in the normal course of business, are capitalized in accordance with ASC 350. These costs are recognized on a straight-line basis over the term of the arrangement, plus reasonably certain renewals. The Institute adopted ASU 2018-15 prospectively in 2022. Capitalized implementation costs, included in prepaid expenses and other assets, net, were \$12.3 million and \$4.8 million as of June 30, 2023 and 2022, respectively.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This amendment requires contributed nonfinancial assets to be presented as a separate line item within the statement of activities and enhanced disclosure requirements for contributed nonfinancial assets, such as donor-imposed restrictions, fair value measurement, and qualitative information if the contributed nonfinancial assets were utilized or sold. The Institute adopted ASU 2020-07 retrospectively during 2022. There was no material impact to the consolidated financial statements as a result of adoption.

3. Pledges Receivable

Pledges receivable represent unconditional promises to give. Pledges expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The present value of estimated future cash flows has been measured using risk-free rates of return adjusted for market and credit risk established at the end of the measurement period using *The Fair Value Option for Financial Assets and Financial Liabilities* in accounting for pledges receivable. The pledge discount rate applied as of June 30, 2023 ranges from 3.81% to 4.87%. Pledges receivable are classified as Level 3 under the valuation hierarchy described in Note 5. The measurement period of outstanding pledges is determined on a pledge-by-pledge basis.

Unconditional promises included in the consolidated statements of financial position at June 30, 2023 and 2022 are expected to be realized as follows:

<i>(in thousands of dollars)</i>	2023	2022
Less than one year	\$ 90,962	\$ 68,008
One to five years	73,835	73,070
More than five years	<u>33,200</u>	<u>36,150</u>
Pledges receivable	197,997	177,228
Less: Present value discount	<u>(19,276)</u>	<u>(16,793)</u>
Pledges receivable, net	<u>\$ 178,721</u>	<u>\$ 160,435</u>

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A rollforward of pledges receivable at June 30, 2023 and 2022 is as follows:

(in thousands)

Pledges receivable, net at June 30, 2021	\$ 124,761
New pledges	90,003
Pledge payments received	(47,565)
Pledge discount	<u>(6,764)</u>
Pledges receivable, net at June 30, 2022	160,435
New pledges	89,988
Pledge payments received	(69,219)
Pledge discount	<u>(2,483)</u>
Pledges receivable, net at June 30, 2023	<u>\$ 178,721</u>

At June 30, 2023 and 2022, the Institute held \$244.0 million and \$309.1 million, respectively, of conditional pledges not recognized as assets in the statements of financial position. Of the conditional pledges at June 30, 2023, \$170.0 million were subject to matching requirements by specific dates, and \$74.0 million were considered revocable by the donor. Of the conditional pledges at June 30, 2022, \$200.0 million were subject to matching requirements by specific dates and \$109.1 million were considered revocable by the donor.

4. Endowment Fund

The Institute's endowment consists of contributions with donor restrictions to be invested in perpetuity to support the Institute's primary mission to propel progress in biomedicine through research aimed at the understanding and treatment of disease, and the dissemination of scientific knowledge for the public good. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Massachusetts Uniform Prudent Management of Institutional Funds Act ("UPMIFA") allows the Institute to appropriate for expenditure or accumulate so much of an endowment fund as the Institute determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless otherwise stated in the gift instrument, the assets in an endowment fund should be assets with donor restriction until appropriated for expenditure by the Board of Directors. In accordance with UPMIFA, the Institute considers the following factors in making a determination to appropriate or accumulate endowment funds:

- a. The duration and preservation of the fund
- b. The purpose of the Institute and the endowment fund with donor restrictions
- c. General economic conditions
- d. The possible effect of inflation and deflation
- e. The expected total rate of return from income and the depreciation of investments
- f. Other resources of the Institute
- g. The investment policies of the Institute

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The purpose of the endowment funds is for research purposes as restricted by the donors.

Changes in endowment net assets with donor restrictions consisted of the following:

<i>(in thousands of dollars)</i>	2023	2022
Endowment net assets at beginning of year	\$ 960,255	\$ 965,398
Contributions and pledges	80,000	61,443
Investment return	25,975	(33,774)
Endowment returns made available for operations	<u>(38,692)</u>	<u>(32,812)</u>
Endowment net assets at end of year	<u>\$ 1,027,538</u>	<u>\$ 960,255</u>

Endowment Spending

The Institute has adopted a spending policy to calculate annual distributions from its endowment funds. The policy prescribes distributions from the endowment by weighting 70% of the previous year's distribution, adjusted for inflation, and 30% to an established spending rate of 4.7% of the endowment value two years prior unless otherwise directed by the Board for any given year. If the total calculated annual distribution exceeds 6% of the prior year's endowment value, then the annual distribution must be reduced, or unanimous approval of the Members must be secured. The calculated distributions were \$38.7 million and \$32.8 million for the years ending June 30, 2023 and 2022, respectively.

To the extent that accumulated realized and unrealized losses are in excess of accumulated gains for donor restricted endowment funds ("underwater funds"), they are reported as decreases in net assets with donor restrictions. The Institute held no underwater funds at June 30, 2023 or 2022.

5. Investments and Fair Value of Financial Instruments

The Institute has valued its financial instruments in accordance with the principles of accounting standards which establish a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of inputs are as follows:

- Level 1 Quoted prices in active markets for identical assets or liabilities. Market price data is generally obtained from relevant exchange or dealer markets.
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets and liabilities. Inputs are obtained from various sources including market participants, dealers and brokers.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of assets and liabilities.

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For investments in externally managed funds, the Institute has utilized the net asset value (“NAV”) reported by each of the funds as a practical expedient to estimate the value of the investment. These investments are excluded from the fair value hierarchy.

The table below represents the Institute’s financial instruments at fair value at June 30, 2023, grouped by the valuation hierarchy as defined above:

	2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at June 30, 2023
<i>(in thousands of dollars)</i>				
Short-term investments	\$ 289,246	\$ -	\$ -	\$ 289,246
Fixed income	49,894	-	-	49,894
Common stock	26,973	-	-	26,973
Mutual and exchange traded funds	23,230	-	-	23,230
Global equities	-	10,989	-	10,989
Pledges receivable, net	-	-	178,721	178,721
Beneficial interest in trust	-	-	1,747	1,747
Total assets at fair value	<u>\$ 389,343</u>	<u>\$ 10,989</u>	<u>\$ 180,468</u>	<u>\$ 580,800</u>

The table below represents the Institute’s financial instruments at fair value at June 30, 2022, grouped by the valuation hierarchy as defined above:

	2022			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at June 30, 2022
<i>(in thousands of dollars)</i>				
Common stock	\$ 385	\$ -	\$ -	\$ 385
Mutual and exchange traded funds	9,322	-	-	9,322
Pledges receivable, net	-	-	160,435	160,435
Beneficial interest in trust	-	-	61,334	61,334
Total assets at fair value	<u>\$ 9,707</u>	<u>\$ -</u>	<u>\$ 221,769</u>	<u>\$ 231,476</u>

Short-term investments are comprised of US Treasury bills with an original maturity date greater than three months but less than one year at the time of purchase. Fixed income investments are comprised of US Treasury notes with an original maturity date greater than one year at the time of purchase. Common stock is comprised of equity positions.

Investments are valued based on the hierarchy of valuation inputs, or utilizing net asset value (NAV), depending on the nature of the underlying investments. Investments include units in several partnerships in which profit and losses are allocated to the partners according to their respective ownership. The partnerships are valued utilizing NAV, which is based on the net contribution to its underlying investment funds and its allocated share of the undistributed profits and losses, including realized and unrealized gains and losses, provided by the management or administrator of the partnership, which may include the audited financial statements of the partnership.

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Management has ongoing procedures in place to evaluate and monitor new and ongoing third-party valuations including regular communication with investment advisors, performance benchmarking and review of partnership financial statements. The Institute has performed due diligence around the investments and has determined that NAV is an appropriate measure of fair value at June 30.

Fair value of investments valued using NAV as a practical expedient were \$982.1 million and \$947.4 million at June 30, 2023 and 2022, respectively. The Institute also held cash and cash equivalents within investments of \$0.2 million and \$5.0 million at June 30, 2023 and 2022, respectively. The total fair value of investments were approximately \$1.4 billion and \$962.1 million at June 30, 2023 and 2022, respectively.

Unfunded commitments at June 30, 2023 were \$50.0 million at June 30, 2023 and 2022, respectively.

The Funds' liquidity policies set the parameters for any participant seeking to liquidate funds as follows:

- Of the fair value of investments valued at NAV, \$296.8 million are redeemable annually at net asset value, requiring a written redemption request be provided on or prior to September 1 of the year of anticipated withdrawal. Limited Partners may elect to redeem up to 100% of their total interests in the Fund, with a minimum remaining investment of \$10.0 million, annually on the last business day of the year. Due to the illiquid nature of its underlying investments, all redemptions from the Fund are subject to the general partner's approval and may be limited or suspended entirely. Up to 7% of the value of a Limited Partner's interests in the Fund may be redeemed annually without being subject to a potential side pocket for limited liquidity assets. A Limited Partner may elect to have up to 3.5% of its interest redeemed as of the last business day of June, with notice provided on or prior to March 1, with the remaining percentage up to the maximum of 7% as of the last business day of December. Redemptions in excess of 7% would be subject to potential side pocket where the portion of the Fund held in liquid investments would be redeemed for cash, while limited liquidity investments would be set aside in a side pocket along with sufficient cash to fund capital calls. The side pocketed assets would return capital as the underlying investments are realized.
- Of the fair value of investments valued at NAV, \$148.1 million have no explicit withdrawal terms, however at June 30, 2023, 12% of invested funds under management have daily liquidity, 8% have monthly liquidity or better, 58% has annual liquidity restrictions, and 22% have greater than 1 year liquidity restrictions or are illiquid.
- Of the fair value of investments valued at NAV, \$504.9 million require notice of withdrawal at least 90-days prior to the end of their fiscal year. A distribution of 90% of liquid investments, less a reserve for future expenses and management fees, will be made 30 days after the end of the fund's fiscal year. As promptly as possible following October 15th of the fiscal year following notice, the reserve will be adjusted for expenses and management fees against the remaining liquid investment balance and the remaining liquid balance will be distributed. Net proceeds from the sale of previously illiquid investments will be distributed to the Institute within 45 days of such sale, subject to a ceiling of 15% of the liquid net asset value. In addition, the Institute's right to receive distributions may be suspended for all or part of any period of a market disruption.

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- Of the fair value of investments valued at NAV, \$32.3 million are being liquidated by utilizing a liquidation strategy for the Institute's portion of the fund. A portion of the Institute's position in the fund has been liquidated as of June 30, 2023, with \$22.6 million and \$29.6 million liquidated during the years ended June 30, 2023 and 2022, respectively, and \$34.6 million and \$56.3 million of illiquid investments remaining in the fund as of June 30, 2023 and 2022, respectively. These remaining illiquid investments are being liquidated over time as the restrictions on the funds allow.

Investment allocation at June 30, 2023 and 2022 was as follows:

	2023	2022
Hedged equity/credit	5 %	9 %
Equity	44	62
Cash and cash equivalents	3	2
Real estate/real assets	10	16
Fixed income	31	6
Common stock	2	-
Other	5	5
	<u>100 %</u>	<u>100 %</u>

For the rollforward of pledges receivable, refer to Note 3.

The Institute held \$0 and \$59.2 million of investments on behalf of its beneficial interest in trust as of June 30, 2023 and 2022, respectively. An offsetting amount is recorded for the same amount in accrued expenses and other liabilities. During the year ended June 30, 2023, the Trust's Board of Trustees voted to distribute all investments held by the Institute on the Trust's behalf to the Institute. These investments were valued at \$59.9 million at March 31, 2023, the effective date of the gift.

The table below is a rollforward of the Institute's beneficial interest in trust classified within Level 3 of the fair value hierarchy on June 30, 2023 and 2022:

(in thousands of dollars)

Beneficial interest in trust at June 30, 2021	\$ 63,719
Change in value	<u>(2,385)</u>
Beneficial interest in trust at June 30, 2022	61,334
Change in value	291
Asset transfer	<u>(59,878)</u>
Beneficial interest in trust at June 30, 2023	<u>\$ 1,747</u>

The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Institute believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

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Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect market values and the amounts reported in the statements of financial position.

6. Property, Plant and Equipment

The major categories of property, plant and equipment at June 30, 2023 and 2022 are summarized as follows:

<i>(in thousands of dollars)</i>	2023	2022
Land	\$ 25,000	\$ 25,000
Building and building improvements	336,716	321,876
Equipment	227,279	220,313
Leasehold improvements	88,735	68,220
Building under finance lease	101,720	101,720
Assets under construction	33,983	14,651
Total property, plant and equipment, gross	813,433	751,780
Accumulated depreciation	(349,310)	(314,913)
Total property, plant and equipment, net	\$ 464,123	\$ 436,867

Effective February 1, 2016, the Institute has a 50-year, \$101.7 million finance lease with MIT, a related party, which relates to building space. The lease provides for monthly installments of \$457 thousand, including interest of 0.4% through January 31, 2066. Principal and interest payments relating to this lease were \$655 thousand and \$4.9 million, respectively, for the year ended June 30, 2023 and \$624 thousand and \$4.9 million, respectively, for the year ended June 30, 2022. Accumulated depreciation related to this lease was \$15.1 million and \$13.0 million at June 30, 2023 and 2022, respectively.

7. Lease Commitments

In February 2016, the FASB issued ASU 2016-02 (Topic 842) *Leases*, and has subsequently issued supplemental and/or clarifying ASUs (collectively, "ASC 842"). Topic 842 supersedes the lease requirements in Accounting Standards Codification Topic 840, *Leases*. Under Topic 842, lessees are required to recognize assets and liabilities on the balance sheets for most leases and provide enhanced disclosures. Leases are classified as either financing or operating.

The Institute adopted Topic 842 effective July 1, 2020, applying this guidance to all leases as of that date using the modified retrospective method. The Institute elected the practical expedient options of not reassessing (i) expired or existing contracts for whether they are or contain a lease (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. The Institute has also elected the policy exemption allowing lessees to combine lease and non-lease components by class of underlying asset and has applied this expedient to all relevant asset classes.

In August 2022, the Institute amended an existing operating lease agreement. The agreement extended the expiration date of the lease to August 2027 and resulted in an additional operating

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right-of-use asset of \$7.9 million and operating lease liability of \$7.9 million on the Institute's consolidated statements of financial position.

The components for lease expense for the years ended June 30, 2023 and 2022 are as follows:

<i>(in thousands of dollars)</i>	2023	2022
Operating lease costs	\$ 10,270	\$ 10,141
Variable and short-term lease cost (a)	10,548	9,633
Total lease and rental expense	<u>\$ 20,818</u>	<u>\$ 19,774</u>
Finance lease cost:		
Amortization of right-of-use assets - finance leases	\$ 655	\$ 623
Interest on lease liabilities - finance leases	4,827	4,858
Total finance lease cost	<u>\$ 5,482</u>	<u>\$ 5,481</u>

(a) Includes leases with a maturity of less than 12 months.

The weighted-average remaining lease terms and weighted-average discount rate at June 30, 2023 are as follows:

	2023	2022
Weighted average remaining lease term, operating leases, (years)	4.69	5.47
Weighted average remaining lease term, finance leases, (years)	42.60	43.60
Weighted average discount rate, operating leases	1.15 %	0.7 %
Weighted average discount rate, finance leases	5.05 %	5.05 %

Supplemental cash flow information related to leases for the years ended June 30, 2023 and 2022 is as follows:

<i>(in thousands of dollars)</i>	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from finance leases	\$ 4,827	\$ 4,858
Operating cash outflows from operating leases	10,064	9,980
Financing cash outflows from finance leases	655	623
	<u>\$ 15,546</u>	<u>\$ 15,461</u>
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 7,876	\$ -

The Institute is the lessee of space under both operating and finance leases. Rent expense relating to operating leases was \$10.4 million and \$10.3 million for the years ended June 30, 2023 and 2022, respectively.

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Future minimum payments under these operating and finance leases as of June 30, 2023 are as follows:

<i>(in thousands of dollars)</i>	Operating Leases	Finance Leases
2024	\$ 10,155	\$ 5,482
2025	7,093	5,482
2026	6,553	5,482
2027	6,646	5,482
2028	5,074	5,482
Thereafter	1,812	206,024
Total lease payments due	37,333	233,434
Less amounts representing interest	955	136,019
Total	\$ 36,378	\$ 97,415

As of June 30, 2023, the Institute had an additional operating lease for laboratory space that had not yet commenced with aggregate future minimum lease commitments of \$172.1 million. This operating lease is expected to commence in 2024 with a lease term of 15 years. This undiscounted amount is not included in the tables above.

As of June 30, 2023, the Institute had an additional operating lease for laboratory space that had not yet commenced with aggregate future minimum lease commitments of \$556.1 million. This operating lease is expected to commence in 2024 with a lease term of 15 years. This undiscounted amount is not included in the tables above.

8. Debt

In November 2017, the Massachusetts Development Finance Agency (“MDFA”) issued \$250.2 million of tax-exempt Revenue Bonds (the “2017 Series”) on behalf of the Institute. The proceeds from the bonds were used to advance refund the Institute’s outstanding 2011 Series A tax-exempt Revenue Bonds.

The 2017 Series Bonds mature in full on April 1, 2041. Interest is payable semiannually, each April 1 and October 1, at an annual rate ranging from 3.0% to 5.0%. The original issue premium (“OIP”) and discount (“OID”) of \$40.9 million and \$1.0 million, respectively, are being amortized over the life of the 2017 Series Bonds using the effective interest rate method. OIP amortization income was \$2.8 million and \$2.9 million for the years ended June 30, 2023 and 2022, respectively. OID amortization expense for the years ended June 30, 2023 and 2022 was \$70 thousand and \$72 thousand, respectively. These amortization amounts are included in interest expense.

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The 2017 Series Bonds maturing on or after April 1, 2028 are subject to optional redemption on or after October 1, 2027, at the direction of the Institute at 100% of their principal amount, plus accrued interest to the redemption date. The 2017 Series Bonds are subject to mandatory redemption beginning on April 1, 2038, and on each April 1 thereafter at their principal amounts without premium, plus accrued interest to the redemption date.

The 2017 Series Bonds require the Institute to comply with certain nonfinancial covenants, including annual reporting requirements.

The following schedule summarizes principal installments due on the 2017 Series Bonds in the next five years and thereafter:

(in thousands of dollars)

2024	\$	12,330
2025		12,235
2026		12,150
2027		12,110
2028		12,065
Thereafter		151,709
Unamortized:		
Premiums		25,047
Discounts		(633)
Issuance costs		(659)
Debt, net	\$	<u>236,354</u>

In April 2020, the Institute entered into a credit agreement with a financial institution which provides for a revolving line of credit up to \$50.0 million. The credit agreement expires in March 2024. In 2023, outstanding borrowings bear interest at a rate per year equal to the BSBY Daily Floating Rate plus .70% (effectively 5.9%). In 2022, outstanding borrowings bear interest at a rate per year equal to the BSBY Daily Floating Rate plus .60% (effectively 2.2%). There were no outstanding borrowings during the years ending June 30, 2023 and 2022, respectively.

The Institute's credit agreement requires the Institute to comply with certain nonfinancial covenants, including annual reporting requirements. Such covenants include paying all taxes due on a timely basis and maintaining required insurance limits. It also contains limitations on fundamental business changes, liens, incurrence of additional indebtedness, and prohibits certain dispositions of property.

9. Functional and Natural Classification of Expenses

Expenses have been presented in the statements of activities on a functional basis. The Institute uses direct identification to allocate specific expenses, including those related to payroll, equipment depreciation, and materials and services. Indirect expenses, including costs related to rent expense and the depreciation, operation and maintenance of buildings, are allocated on the basis of square footage utilized by each function.

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Operating and nonoperating expenses by functional and natural classification as of June 30, 2023 and 2022 were as follows:

<i>(in thousands of dollars)</i>	2023		
	Research and Testing	Management and General	Total
Salaries and wages	\$ 181,622	\$ 59,900	\$ 241,522
Employee benefits	48,796	20,650	69,446
Materials and services	160,001	50,141	210,142
Rent, utilities, and maintenance	37,637	5,719	43,356
Grants and other assistance	84,956	-	84,956
Depreciation	48,762	3,858	52,620
Interest	10,736	1,883	12,619
Other	9,590	(1,958)	7,632
Total expenses	<u>\$ 582,100</u>	<u>\$ 140,193</u>	<u>\$ 722,293</u>

<i>(in thousands of dollars)</i>	2022		
	Research and Testing	Management and General	Total
Salaries and wages	\$ 167,452	\$ 44,764	\$ 212,216
Employee benefits	47,015	9,731	56,746
Materials and services	338,409	48,310	386,719
Rent, utilities, and maintenance	36,270	5,431	41,701
Grants and other assistance	53,894	6	53,900
Depreciation	41,144	3,365	44,509
Interest	11,153	1,975	13,128
Other	7,614	380	7,994
Total expenses	<u>\$ 702,951</u>	<u>\$ 113,962</u>	<u>\$ 816,913</u>

10. Liquidity and Availability of Resources

The Institute regularly monitors liquidity required to meet its operating needs and other contractual commitments. When reviewing available resources required to meet its expenditures over a 12-month period, the Institute considers all expenditures related to its ongoing activities.

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The following summarizes the financial assets available to meet its general expenditures within one year of the balance sheet date:

<i>(in thousands of dollars)</i>	2023	2022
Financial assets		
Cash and cash equivalents	\$ 441,770	\$ 872,514
Agency cash	10,463	10,467
Accounts receivable, net	98,818	113,072
Investments	<u>1,382,657</u>	<u>962,122</u>
Total financial assets, at year-end	1,933,708	1,958,175
Less those unavailable for general expenditures within 12 months of the balance sheet date		
Cash and cash equivalents not available for general expenditure	(226,287)	(272,032)
Agency cash	(10,463)	(10,467)
Accounts receivable, collectible beyond one year	(862)	(679)
Investments restricted by purpose or time beyond one year	<u>(1,019,419)</u>	<u>(923,853)</u>
Financial assets available to meet cash needs for general expenditures within 12 months of the balance sheet date	<u>\$ 676,677</u>	<u>\$ 751,144</u>

In addition to the financial assets available to meet general expenditures over the next 12 months, a significant portion of the Institute's annual expenditures will be funded by current year operating revenue from grants, contracts and donations from a variety of federal, private and philanthropic sources. As part of the Institute's liquidity management strategy, financial assets are structured to be available as its general expenditures, liabilities, and other obligations come due.

11. Commitments and Contingencies

The Institute has made certain purchase commitments not reflected in the statements of financial position at June 30, 2023 and 2022, in the amount of \$111.6 million and \$90.5 million, respectively, mainly related to construction, software, computing storage, laboratory supplies, and purchases of property management services.

Various legal claims, generally incidental to the conduct of normal business, are pending or have been threatened against the Institute. The Institute plans to defend itself against these claims. While ultimate liability, if any, arising from any such claim is presently undeterminable, it is management's opinion that the ultimate resolution of these claims will not have a material adverse effect on the financial condition of the Institute.

12. Subsequent Events

The Institute has evaluated subsequent events that occurred after the balance sheet date through November 3, 2023, the date the consolidated financial statements were issued.

Schedule of Expenditures of Federal Awards

The Broad Institute, Inc.

Schedule of Expenditure of Federal Awards

Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Award/Pass-through Entity Identification Number	Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
Research and Development Cluster				
Department of Health and Human Services				
National Institutes of Health (NIH)				
Direct				
Human Genome Research	UM1HG008895	93.172	\$ 2,585	\$ -
Human Genome Research	RM1HG006193	93.172	(4,455)	-
Human Genome Research	U41HG009494	93.172	698,781	195,098
Human Genome Research	R01HG009283	93.172	(41)	-
COVID -19 - Human Genome Research	R01HG009283	93.172	(1,478)	-
Human Genome Research	UM1HG009435	93.172	343,223	250,075
Human Genome Research	R01HG009141	93.172	6,264	2,066
Human Genome Research	U24HG010262	93.172	5,028,284	2,484,832
Human Genome Research	R01HG010647	93.172	1,256,251	-
COVID -19 - Human Genome Research	R01HG010647	93.172	173,733	-
Human Genome Research	F32HG011434	93.172	5,599	-
Human Genome Research	R25HG006682	93.172	88,275	-
Human Genome Research	U24HG011450	93.172	2,371,943	60,450
Human Genome Research	U24HG011025	93.172	1,441,939	380,996
Human Genome Research	U01HG011755	93.172	2,995,427	449,065
Human Genome Research	U24HG006834	93.172	3,010,059	288,328
Human Genome Research	U01HG011723	93.172	1,122,800	527,328
Human Genome Research	UM1HG011986	93.172	2,662,621	854,387
Human Genome Research	R01HG009761	93.172	722,714	-
Human Genome Research	U24HG012090	93.172	1,056,090	169,392
Human Genome Research	U24HG011453	93.172	747,795	136,758
Human Genome Research	R01HG012467	93.172	496,977	93,277
Subtotal - Human Genome Research			24,225,386	5,892,052
Mental Health Research Grants	U01MH111660	93.242	(54,074)	-
Mental Health Research Grants	R01MH111813	93.242	587,152	-
Mental Health Research Grants	U01MH115727	93.242	3,506,416	879,945
Mental Health Research Grants	R01MH115045	93.242	48,360	-
Mental Health Research Grants	R37MH107649	93.242	1,139,890	177,842
Mental Health Research Grants	U01MH119689	93.242	667,727	117,619
Mental Health Research Grants	R01MH115957	93.242	807,002	314,674
Mental Health Research Grants	UG3MH120096	93.242	354,560	694
Mental Health Research Grants	R01MH120642	93.242	729,975	613,246
Mental Health Research Grants	RF1MH121289	93.242	488,553	-
Mental Health Research Grants	R21MH120423	93.242	26,144	-
Mental Health Research Grants	U01MH121499	93.242	185,353	-
Mental Health Research Grants	U01MH125047	93.242	2,476,629	220,862
Mental Health Research Grants	RF1MH124598	93.242	540,136	-
Mental Health Research Grants	U01MH124602	93.242	1,850,377	-
Mental Health Research Grants	R21MH126409	93.242	212,802	-
Mental Health Research Grants	R01MH127085	93.242	374,867	-
Mental Health Research Grants	R21MH129560	93.242	90,188	-
Mental Health Research Grants	R01MH129722	93.242	333,894	-
Mental Health Research Grants	R21MH126374	93.242	159,061	-
Mental Health Research Grants	R01MH131719	93.242	243,267	52,183
Mental Health Research Grants	U24MH130968	93.242	1,257,022	298,304
Mental Health Research Grants	R01MH130675	93.242	257,466	19,487
Mental Health Research Grants	UM1MH130966	93.242	3,336,219	66,028
Mental Health Research Grants	UF1MH130701	93.242	2,704,263	737,076
Mental Health Research Grants	R01MH128366	93.242	505,732	94,067
Mental Health Research Grants	UH3MH120096	93.242	256,300	-
Mental Health Research Grants	RF1MH130468	93.242	209,852	5,667
Subtotal - Mental Health Research Grants			23,295,133	3,597,694
Drug Abuse and Addiction Research Programs	U01DA053631	93.279	2,688,325	1,053,817
Subtotal - Drug Abuse and Addiction Research Programs			2,688,325	1,053,817
Discovery and Applied Research for Technological Innovations to Improve Human Health	R01EB031172	93.286	625,593	-
Subtotal - Discovery and Applied Research for Technological Innovations to Improve Human Health			625,593	-
Trans-NIH Research Support	U24DK112340	93.310	1,940,826	754,671
Trans-NIH Research Support	DP5OD024582	93.310	60,990	-
Trans-NIH Research Support	DP5OD024583	93.310	(87)	-
Trans-NIH Research Support	U01AI142756	93.310	285,172	-
Trans-NIH Research Support	UG3NS111689	93.310	(150,429)	-
Trans-NIH Research Support	UH3CA246632	93.310	33,209	-
Trans-NIH Research Support	DP5OD029574	93.310	158,838	-
Trans-NIH Research Support	OT2OD030161	93.310	915,272	-
Trans-NIH Research Support	R03OD032626	93.310	78,806	-
Trans-NIH Research Support	OT2DB000010	93.310	4,468,207	2,213,443
Trans-NIH Research Support	UH3NS111689	93.310	1,019,426	-
Trans-NIH Research Support	U24HD090743	93.310	4,130,691	-
Trans-NIH Research Support	DP2MH132942	93.310	57,346	-

The accompanying notes are an integral part of this schedule.

The Broad Institute, Inc.
Schedule of Expenditure of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Award/Pass-through Entity Identification Number	Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of Health and Human Services				
National Institutes of Health (NIH)				
Direct				
Trans-NIH Research Support	DP5OD033430	93.310	213,486	-
Trans-NIH Research Support	DP2AT012345	93.310	118,852	-
Trans-NIH Research Support	UM1DA058235	93.310	25,778	-
Subtotal - Trans-NIH Research Support			13,356,383	2,968,114
National Center for Advancing Translational Sciences	OT2TR003437	93.350	843,538	-
National Center for Advancing Translational Sciences	OT2TR003433	93.350	494,571	-
Subtotal - National Center for Advancing Translational Sciences			1,338,109	-
21st Century Cures Act - Beau Biden Cancer Moonshot	U01CA250565	93.353	652,112	-
21st Century Cures Act - Beau Biden Cancer Moonshot	U2CCA252974	93.353	2,114,671	605,139
Subtotal - 21st Century Cures Act - Beau Biden Cancer Moonshot			2,766,783	605,139
21st Century Cures Act-Precision Medicine Initiative	OT2OD002750	93.368	65,970,594	5,532,044
Subtotal - 21st Century Cures Act-Precision Medicine Initiative			65,970,594	5,532,044
Cancer Cause and Prevention Research	R01CA208756	93.393	(227)	-
Cancer Cause and Prevention Research	U01CA217848	93.393	91,265	-
Cancer Cause and Prevention Research	K00CA253754	93.393	96,282	-
Cancer Cause and Prevention Research	K00CA264422	93.393	27,166	-
Subtotal - Cancer Cause and Prevention Research			214,486	-
Cancer Detection and Diagnosis Research	U24CA210979	93.394	19,585	-
Cancer Detection and Diagnosis Research	U24CA210978	93.394	(18)	-
Cancer Detection and Diagnosis Research	U24CA210999	93.394	58,408	-
Cancer Detection and Diagnosis Research	UH2CA239105	93.394	8,675	3,759
Cancer Detection and Diagnosis Research	U24CA264029	93.394	430,976	3,621
Cancer Detection and Diagnosis Research	U24CA264024	93.394	479,801	134,726
Cancer Detection and Diagnosis Research	U24CA271075	93.394	854,100	-
Cancer Detection and Diagnosis Research	U24CA270823	93.394	1,113,564	-
Cancer Detection and Diagnosis Research	UH3CA239105	93.394	154,108	101,063
Cancer Detection and Diagnosis Research	U01CA272612	93.394	366,249	-
Subtotal - Cancer Detection and Diagnosis Research			3,485,448	243,169
Cancer Treatment Research	R01CA219943	93.395	76,102	8,485
Cancer Treatment Research	R01CA233626	93.395	411,203	-
Cancer Treatment Research	R01CA266642	93.395	413,546	105,000
Subtotal - Cancer Treatment Research			900,851	113,485
Cancer Biology Research	U24CA180922	93.396	636,035	85,080
Cancer Biology Research	R35CA242457	93.396	828,015	-
Cancer Biology Research	R33CA246455	93.396	340,394	63,019
Cancer Biology Research	U24CA248455	93.396	865,902	-
Cancer Biology Research	R21CA269103	93.396	281,356	-
Cancer Biology Research	R01CA276865	93.396	78,860	-
Subtotal - Cancer Biology Research			3,030,562	148,099
Cancer Research Manpower	F32CA232543	93.398	1,740	-
Cancer Research Manpower	K00CA212229	93.398	16,972	-
Cancer Research Manpower	F32CA247088	93.398	43,135	-
Cancer Research Manpower	F32CA261024	93.398	41,398	-
Cancer Research Manpower	K99CA263149	93.398	143,372	-
Cancer Research Manpower	K99CA277583	93.398	44,491	-
Subtotal - Cancer Research Manpower			291,108	-
Cardiovascular Diseases Research	R01HL143295	93.837	1,500,883	438,390
Cardiovascular Diseases Research	R01HL157717	93.837	1,018,159	390,629
Cardiovascular Diseases Research	K99HL163805	93.837	131,181	-
Cardiovascular Diseases Research	R01HL164811	93.837	61,035	36,881
Subtotal - Cardiovascular Diseases Research			2,711,258	865,900
Lung Diseases Research	F32HL154638	93.838	4,545	-
Subtotal - Lung Diseases Research			4,545	-
Blood Diseases and Resources Research	DP1HL141201	93.839	64,140	-
Subtotal - Blood Diseases and Resources Research			64,140	-
Arthritis, Musculoskeletal and Skin Diseases Research	R21AR080274	93.846	56,793	-
Subtotal - Arthritis, Musculoskeletal and Skin Diseases Research			56,793	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	RC2DK114784	93.847	2,070,775	620,087
Diabetes, Digestive, and Kidney Diseases Extramural Research	R24DK110499	93.847	985,938	654,753
Diabetes, Digestive, and Kidney Diseases Extramural Research	R01DK099465	93.847	350,473	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	U01DK123717	93.847	391,735	335,028
Diabetes, Digestive, and Kidney Diseases Extramural Research	UM1DK105554	93.847	4,543,941	1,950,917
Diabetes, Digestive, and Kidney Diseases Extramural Research	R01DK129464	93.847	687,428	341,802
Diabetes, Digestive, and Kidney Diseases Extramural Research	K00DK123834	93.847	74,469	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	R01DK132299	93.847	424,047	321,549
Diabetes, Digestive, and Kidney Diseases Extramural Research	RC2DK135492	93.847	41,255	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	U01DK137242	93.847	110,066	-
Subtotal - Diabetes, Digestive, and Kidney Diseases Extramural Research			9,680,127	4,224,136

The accompanying notes are an integral part of this schedule.

The Broad Institute, Inc.
Schedule of Expenditure of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Award/Pass-through Entity Identification Number	Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of Health and Human Services				
National Institutes of Health (NIH)				
Direct				
Extramural Research Programs in the Neurosciences and Neurological Disorders	R01NS100802	93.853	(110)	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	R21NS110355	93.853	(902)	262
Extramural Research Programs in the Neurosciences and Neurological Disorders	K99NS119743	93.853	97,290	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	K99NS125131	93.853	110,412	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	R01NS12525	93.853	752,708	152,130
Extramural Research Programs in the Neurosciences and Neurological Disorders	R03NS123786	93.853	42,010	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	R33NS119717	93.853	444,796	4,673
Extramural Research Programs in the Neurosciences and Neurological Disorders	R01NS131663	93.853	57,364	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	U19NS132315	93.853	93,989	-
Subtotal - Extramural Research Programs in the Neurosciences and Neurological Disorders			1,597,557	157,065
Allergy and Infectious Diseases Research	R01AI132300	93.855	649,917	249,694
Allergy and Infectious Diseases Research	U19AI110818	93.855	5,143,848	1,036,682
COVID -19 - Allergy and Infectious Diseases Research	U19AI110818	93.855	560,600	367,007
Allergy and Infectious Diseases Research	U19AI142780	93.855	5,123,106	2,541,912
Allergy and Infectious Diseases Research	R01AI153405	93.855	722,192	-
Allergy and Infectious Diseases Research	R21AI154099	93.855	86,358	-
Allergy and Infectious Diseases Research	K01AI163498	93.855	87,530	-
COVID - 19 - Allergy and Infectious Diseases Research	R21AI162662	93.855	203,566	-
Allergy and Infectious Diseases Research	R01AI158495	93.855	528,684	-
Allergy and Infectious Diseases Research	R01AI172147	93.855	675,159	237,300
Allergy and Infectious Diseases Research	U19AI158076	93.855	910,986	401,265
Allergy and Infectious Diseases Research	K25AI168451	93.855	49,025	-
Subtotal - Allergy and Infectious Diseases Research			14,740,971	4,833,860
Biomedical Research and Research Training	R35GM127045	93.859	320,991	-
Biomedical Research and Research Training	F32GM133088	93.859	249	-
Biomedical Research and Research Training	P41GM135019	93.859	1,352,860	721,477
Biomedical Research and Research Training	R01GM137606	93.859	576,235	-
Biomedical Research and Research Training	R35GM118062	93.859	516,572	-
Biomedical Research and Research Training	F32GM143776	93.859	59,358	-
Biomedical Research and Research Training	DP2GM146252	93.859	262,364	-
Biomedical Research and Research Training	DP2GM146245	93.859	797,263	-
Biomedical Research and Research Training	R35GM122547	93.859	763,071	-
Subtotal - Biomedical Research and Research Training			4,648,963	721,477
Child Health and Human Development Extramural Research	U24HD090743	93.865	4,200,270	-
Child Health and Human Development Extramural Research	R01HD101534	93.865	1,502,523	884,078
Child Health and Human Development Extramural Research	R01HD111876	93.865	69,112	-
Subtotal - Child Health and Human Development Extramural Research			5,771,905	884,078
Aging Research	DP2AG058488	93.866	62,665	-
Aging Research	R21AG068769	93.866	77,594	-
Aging Research	R00AG065516	93.866	194,912	-
Subtotal - Aging Research			335,171	-
NIH National Cancer Institute	75N91019D00029	93.RD	7,805,593	-
Subtotal - NIH National Cancer Institute			7,805,593	-
NIH National Heart, Lung, and Blood Institute	HHNS268201600034I	93.RD	7,619,584	1,369,000
Subtotal - NIH National Heart, Lung, and Blood Institute Contracts			7,619,584	1,369,000
NIH National Human Genome Institute	HHNS268201600034I	93.RD	35,650	-
Subtotal - NIH National Human Genome Institute Contracts			35,650	-
Subtotal - National Institutes of Health - Direct			197,261,018	33,209,129
Human Genome Research -University of California, Berkeley	00009717	93.172	1	-
Human Genome Research -Baylor College of Medicine	700000566	93.172	36,850	-
Human Genome Research -Redeemer's University	2U54HG007480-09S2	93.172	7,138	-
Human Genome Research -University of California, Santa Cruz	A18-0045-S001-P0658453	93.172	(1)	-
Human Genome Research -Brigham & Women's Hospital, Inc.	117565	93.172	(19,170)	-
Human Genome Research -Vanderbilt University Medical Center	VUMC84710	93.172	266,811	-
Human Genome Research -Massachusetts Institute of Technology	S5220, P0# 538182	93.172	140,436	-
Human Genome Research -Dana Farber Cancer Institute	1322903	93.172	122,274	-

The accompanying notes are an integral part of this schedule.

The Broad Institute, Inc.
Schedule of Expenditure of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Award/Pass-through Entity Identification Number	Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of Health and Human Services				
National Institutes of Health (NIH)				
Pass-through				
Human Genome Research -Massachusetts General Hospital	239109	93.172	427,356	-
Human Genome Research -University of California, San Diego	704782	93.172	422,448	-
Human Genome Research -University of California, Santa Cruz	A22-0049-S001	93.172	306,461	-
Human Genome Research -Whitehead Institute of Biomedical	11-2067-0202	93.172	322,778	-
Human Genome Research -Oregon Health & Science University	1020958_TBI	93.172	92,363	-
Human Genome Research - University of Washington	UWSC14485	93.172	20,674	-
Subtotal - Human Genome Research			2,146,419	-
Mental Health Research Grants -Massachusetts General Hospital	228485	93.242	52	-
Mental Health Research Grants -Allen Institute	2017-0565	93.242	8,244	-
Mental Health Research Grants -Cold Spring Harbor Laboratory	64580522	93.242	482,210	-
Mental Health Research Grants -Massachusetts General Hospital	235128	93.242	121,512	-
Mental Health Research Grants -Harvard University	164641-5105238	93.242	138,501	-
Mental Health Research Grants -Harvard Medical School	153212.5111092.0502	93.242	6,576	-
Mental Health Research Grants -University of California, San Diego	123556869 (S9002406)	93.242	32,176	-
Mental Health Research Grants -University of California, San Diego	123833790 (S9002426)	93.242	60,295	-
Mental Health Research Grants -University of Pittsburgh	AWD00005397 (137371-1)	93.242	117,741	-
Mental Health Research Grants -Rutgers, The State University of New Jersey	SUB00002652	93.242	305,623	-
Mental Health Research Grants -The Research Foundation for The State University of New York	100-1129280-89177	93.242	(871)	-
Mental Health Research Grants -The Research Foundation for The State University of New York	100-1163711-89186	93.242	(871)	-
Mental Health Research Grants -Yale University	CON-80003672 (GR116279)	93.242	15,167	-
Mental Health Research Grants -Rutgers, The State University of New Jersey	2049	93.242	106,896	-
Mental Health Research Grants -Stanford University	62861266-178353	93.242	184,136	-
Mental Health Research Grants -Rutgers, The State University of New Jersey	2052	93.242	45,489	-
Mental Health Research Grants -Massachusetts Institute of Technology	S5502 PO# 943801	93.242	179,955	-
Mental Health Research Grants -Physical Sciences Inc.	SC 10-16439-108115-46	93.242	80,607	-
Mental Health Research Grants -Harvard University	164696-5122304	93.242	402,274	-
Mental Health Research Grants -Boston Children's Hospital	GENFD0002315413	93.242	286,178	-
Mental Health Research Grants -University of Maryland, Baltimore	20662-2124	93.242	341,628	-
Mental Health Research Grants -Boston Children's Hospital	GENFD0002315414	93.242	484,895	-
Subtotal - Mental Health Research Grants			3,398,413	-
Drug Abuse and Addiction Research Programs -Yale University	GR104821 (CON-80001522)	93.279	32,303	-
Drug Abuse and Addiction Research Programs -University of Maryland	19114	93.279	262,563	-
Subtotal - Drug Abuse and Addiction Research Programs			294,866	-
Discovery and Applied Research for Technological Innovations to Improve Human Health - Boston University	4500003124	93.286	37,563	-
Subtotal - Discovery and Applied Research for Technological Innovations to Improve Human Health			37,563	-
Trans-NIH Research Support -Vanderbilt University Medical Center	VUMC59306	93.310	(3,073,017)	-
Trans-NIH Research Support -Massachusetts Eye and Ear Infirmary	530096	93.310	(1)	-
Trans-NIH Research Support -Vanderbilt University Medical Center	VUMC70571	93.310	(284,500)	-
Trans-NIH Research Support -The Medical College of Wisconsin, Inc.	PO# 6194863 16B	93.310	1,606	-
Trans-NIH Research Support -The Medical College of Wisconsin, Inc.	MCW-Reporters	93.310	1,606	-
Trans-NIH Research Support -Massachusetts General Hospital	235477	93.310	19,000	-
Trans-NIH Research Support -The Medical College of Wisconsin, Inc.	MCW-Nanoparticles	93.310	1,606	-
Trans-NIH Research Support -The Medical College of Wisconsin, Inc.	PO# 6191185 18B	93.310	2,409	-
Trans-NIH Research Support -Massachusetts Eye and Ear Infirmary	531002	93.310	178,596	-
Trans-NIH Research Support -University of Cape Town	UCT34287	93.310	189,903	-
Trans-NIH Research Support -University of Iowa	S03740-01	93.310	102,554	-
Trans-NIH Research Support -Research Institute at Nationwide Child	700268-0623-01	93.310	86,473	-
Trans-NIH Research Support -The Medical College of Wisconsin, Inc.	PO #6217806 - 30A	93.310	92,785	-
Trans-NIH Research Support -Vanderbilt University Medical Center	VUMC 107287	93.310	5,522,501	-
Subtotal - Trans-NIH Research Support			2,841,521	-
National Center for Advancing Translational Sciences - Brigham & Women's Hospital, Inc.	125846	93.350	9,185	-
Subtotal - National Center for Advancing Translational Sciences			9,185	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Dana Farber Cancer Institute	1195710	93.353	34,065	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Dana Farber Cancer Institute	1250105	93.353	25,833	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Dana Farber Cancer Institute	1206205	93.353	262,862	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Dana Farber Cancer Institute	1206305	93.353	443,278	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Boston University	4500002988	93.353	74,205	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Boston University	4500003042	93.353	113,598	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Dana Farber Cancer Institute	1307004	93.353	237,171	-

The accompanying notes are an integral part of this schedule.

The Broad Institute, Inc.
Schedule of Expenditure of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Award/Pass-through Entity Identification Number	Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of Health and Human Services				
National Institutes of Health (NIH)				
Pass-through				
21st Century Cures Act - Beau Biden Cancer Moonshot - Dana Farber Cancer Institute	1311403	93.353	128,473	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Massachusetts General Hospital	235667	93.353	4,856	-
Subtotal - 21st Century Cures Act - Beau Biden Cancer Moonshot			1,324,341	-
Nursing Research - Massachusetts General Hospital	233238	93.361	118,079	-
Nursing Research - Beth Israel Deaconess Medical Center, Inc.	01063198	93.361	30,840	-
Subtotal - Nursing Research			148,919	-
21st Century Cures Act - Precision Medicine Initiative - Vanderbilt University Medical Center	VUMC 109972	93.368	455,234	-
Subtotal- 21st Century Cures Act - Precision Medicine Initiative			455,234	-
Cancer Cause and Prevention Research -Dana Farber Cancer Institute, Inc.	1217709	93.393	(134,246)	-
Cancer Cause and Prevention Research -Massachusetts General Hospital	234469	93.393	157,623	-
Cancer Cause and Prevention Research -Duke University	A032774	93.393	54,703	-
Cancer Cause and Prevention Research -Sloan-Kettering Institute for Cancer Research	Req. #2018546	93.393	41,812	-
Subtotal - Cancer Cause and Prevention Research			119,892	-
Cancer Detection and Diagnosis Research - Baylor College of Medicine	7000000403	93.394	10,811	-
Cancer Detection and Diagnosis Research - Washington University	WU-23-0056	93.394	623,925	-
Cancer Detection and Diagnosis Research - Dana Farber Cancer Institute	1293201	93.394	51,693	-
Subtotal - Cancer Detection and Diagnostic Research			686,429	-
Cancer Treatment Research -Dana Farber Cancer Institute	1288105	93.395	15,508	-
Cancer Treatment Research -University of Massachusetts, Worcester	OSP2018092	93.395	152,543	-
Cancer Treatment Research -Dana Farber Cancer Institute	1172504	93.395	158,372	-
Cancer Treatment Research -Dana Farber Cancer Institute	1236007	93.395	46,066	-
Cancer Treatment Research -Brigham & Women's Hospital, Inc.	124409	93.395	282,251	-
Cancer Treatment Research -Dana Farber Cancer Institute	1285907	93.395	156,443	-
Cancer Treatment Research -Dana Farber Cancer Institute	1284707	93.395	543,803	-
Cancer Treatment Research -Dana Farber Cancer Institute	1291802	93.395	361,950	-
Cancer Treatment Research -University of Chicago	AWD103274 (SUB00000761)	93.395	74,208	-
Cancer Treatment Research -Public Health Institute	AR63746	93.395	22,352	-
Subtotal - Cancer Treatment Research			1,813,496	-
Cancer Biology Research -University of California, San Diego	103441795 (S9001988)	93.396	23,406	-
Cancer Biology Research -University of California, San Diego	704687	93.396	318,544	-
Cancer Biology Research -University of California, San Diego	703566	93.396	15,226	-
Cancer Biology Research -University of Massachusetts Medical School	SUB00000012	93.396	239,480	-
Cancer Biology Research -Dana Farber Cancer Institute	1293101	93.396	101,535	-
Subtotal - Cancer Biology Research			698,191	-
Cancer Centers Support Grants -Dana Farber Cancer Institute, Inc.	1132214	93.397	89,689	-
Cancer Centers Support Grants -Dana Farber Cancer Institute, Inc.	1316203	93.397	50,155	-
Cancer Centers Support Grants -Dana Farber Cancer Institute, Inc.	1316903	93.397	22,400	-
Subtotal - Cancer Centers Support Grants			162,244	-
Cancer Control - Weill Medical College of Cornell	221284	93.399		
Subtotal - Cancer Control			23,896	-
Cardiovascular Diseases Research - University of California, Santa Cruz	A18-0757-S001-P0654931	93.837	46,655	-
Cardiovascular Diseases Research - Massachusetts General Hospital	234357	93.837	58,936	-
Cardiovascular Diseases Research - Massachusetts General Hospital	231873	93.837	346,984	-
Cardiovascular Diseases Research - University of Washington	UWSC11248	93.837	158,461	-
Cardiovascular Diseases Research - Beth Israel Deaconess Medical Center, Inc.	01062615	93.837	(23)	-
Cardiovascular Diseases Research - Massachusetts General Hospital	236185	93.837	406,806	-
Cardiovascular Diseases Research - Massachusetts General Hospital	237407	93.837	(84,163)	-
Cardiovascular Diseases Research - University of Minnesota	P008292507	93.837	8,351	-
Cardiovascular Diseases Research - Boston University	4500004600	93.837	373,154	-
Cardiovascular Diseases Research - Brigham & Women's Hospital, Inc.	125858	93.837	38,115	-
Cardiovascular Diseases Research - Boston University	4500004030	93.837	93,261	-
Cardiovascular Diseases Research - Washington University	WU-23-0587	93.837	134,775	-
Cardiovascular Diseases Research - Fred Hutchison Cancer Center	0001134240	93.837	69,332	-

The accompanying notes are an integral part of this schedule.

The Broad Institute, Inc.
Schedule of Expenditure of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Award/Pass-through Entity Identification Number	Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of Health and Human Services				
National Institutes of Health (NIH)				
Pass-through				
Cardiovascular Diseases Research - Massachusetts General Hospital	240336	93.837	242,162	-
Cardiovascular Diseases Research - Massachusetts General Hospital	240687	93.837	186,952	-
Cardiovascular Diseases Research - Vanderbilt University Medical Center	VUMC99728	93.837	79,253	-
Cardiovascular Diseases Research - Harvard School of Public Health	111345-5120260	93.837	166,081	-
Cardiovascular Diseases Research - Stanford University	62931232-207498	93.837	193,074	-
Cardiovascular Diseases Research - Duke University	303-000730	93.837	242,677	-
Cardiovascular Diseases Research - University of North Carolina	5126009	93.837	640,876	-
Subtotal - Cardiovascular Diseases Research			<u>3,401,719</u>	-
Lung Diseases Research - Cincinnati Children's Hospital Medical Center	311013	93.838	158,061	-
Lung Diseases Research - University of Iowa	S02133-01	93.838	106,380	-
Lung Diseases Research - Brigham & Women's Hospital, Inc.	125925	93.838	351,716	-
Lung Diseases Research - Dana Farber Cancer Institute	1291902	93.838	149,775	-
Lung Diseases Research - University of North Carolina	5127493	93.838	33,255	-
Subtotal - Lung Diseases Research			<u>799,187</u>	-
Blood Diseases and Resources Research - The Feinstein Institutes for Medical Research	AWD000001008-Broad	93.839	32,506	-
Blood Diseases and Resources Research - Dana Farber Cancer Institute	1169216	93.839	125,412	-
Blood Diseases and Resources Research - Fred Hutchinson Cancer Research Center	0001084200	93.839	(1,619)	-
Blood Diseases and Resources Research - St. Jude Children's Research Hospital	112815020-8084924	93.839	99,131	-
Blood Diseases and Resources Research - Fred Hutchinson Cancer Research Center	0001068638	93.839	(30,604)	-
Blood Diseases and Resources Research - Fred Hutchinson Cancer Center	0001132976	93.839	85,355	-
Blood Diseases and Resources Research - Boston Children's Hospital	GENFD0002242268	93.839	255,822	-
Blood Diseases and Resources Research - Fred Hutchinson Cancer Research Center	0001125390	93.839	(56,958)	-
Blood Diseases and Resources Research - Dana Farber Cancer Institute	1295501	93.839	3,629	-
Subtotal - Blood Diseases and Resources Research			<u>512,674</u>	-
Arthritis, Musculoskeletal and Skin Diseases Research - Feinstein Institute for Medical Research	500678-Broad	93.846	131,201	-
Arthritis, Musculoskeletal and Skin Diseases Research - Brigham & Women's Hospital, Inc.	111565	93.846	22,552	-
Arthritis, Musculoskeletal and Skin Diseases Research - Brigham & Women's Hospital, Inc.	111166	93.846	(669)	-
Arthritis, Musculoskeletal and Skin Diseases Research - Brigham & Women's Hospital, Inc.	126985	93.846	192,480	-
Arthritis, Musculoskeletal and Skin Diseases Research - Brigham & Women's Hospital, Inc.	127127	93.846	10,773	-
Subtotal - Arthritis, Musculoskeletal and Skin Diseases Research			<u>356,337</u>	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Massachusetts General Hospital	226082	93.847	(34,543)	(34,543)
Diabetes, Digestive, and Kidney Diseases Extramural Research - University of Michigan	3004659528	93.847	16,324	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Boston Children's Hospital	GENFD0002165113	93.847	41,212	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Massachusetts General Hospital	231096	93.847	3,322	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Beth Israel Deaconess Medical Center, Inc.	01061307	93.847	143,521	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Harvard Medical School	153277.5107749.0003	93.847	273,571	-

The accompanying notes are an integral part of this schedule.

The Broad Institute, Inc.
Schedule of Expenditure of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Award/Pass-through Entity Identification Number	Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of Health and Human Services				
National Institutes of Health (NIH)				
Pass-through				
Diabetes, Digestive, and Kidney Diseases Extramural Research - University of Chicago	FP068366-01A (5302858601-5)	93.847	625,195	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Massachusetts General Hospital	233311	93.847	565,051	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Beth Israel Deaconess Medical Center, Inc.	01060496	93.847	340,710	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Albert Einstein College	311433	93.847	170,810	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - University of South Florida	6163-1103-01-D	93.847	115,683	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Baylor College of Medicine	P700000371	93.847	236,277	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - The Washington University	WU-21-12-MOD-3	93.847	330,568	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - The Washington University	WU-21-155-MOD-2	93.847	249,517	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Vanderbilt University Medical Center	VUMC97179	93.847	325,257	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - University of North Carolina	5125107	93.847	981,124	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Massachusetts General Hospital	241695	93.847	34,082	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Boston Children's Hospital	GENFD0002249073	93.847	61,238	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Massachusetts General Hospital	238171	93.847	57,030	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Massachusetts General Hospital	238642	93.847	114,858	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Tulane University	TUL-HSC-556925-20/21	93.847	(33)	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Harvard School of Public Health	111327-5116526	93.847	12,803	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Beth Israel Deaconess Medical Center, Inc.	01062791	93.847	291,092	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Harvard School of Public Health	111330-5118517	93.847	135,493	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Beth Israel Deaconess Medical Center, Inc.	01063766	93.847	128,969	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Massachusetts General Hospital	239459	93.847	601,774	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Regents of the University of Michigan	SUBK00016263	93.847	104,007	-
Subtotal - Diabetes, Digestive, and Kidney Diseases Extramural Research			<u>5,924,912</u>	<u>(34,543)</u>
Extramural Research Programs in the Neurosciences and Neurological Disorders - Northwestern University	60051734 BI	93.853	144,397	-
Extramural Research Programs in the Neurosciences and Neurological Disorders - Northwestern University	60051733 BI	93.853	239,495	-
Extramural Research Programs in the Neurosciences and Neurological Disorders - Massachusetts General Hospital	232364	93.853	368,872	-
Extramural Research Programs in the Neurosciences and Neurological Disorders - Massachusetts General Hospital	231500	93.853	38,034	-
Extramural Research Programs in the Neurosciences and Neurological Disorders - Yale University	GR105126 (CON-80001623)	93.853	481,540	-
Extramural Research Programs in the Neurosciences and Neurological Disorders - Massachusetts General Hospital	235828	93.853	60,723	-
Extramural Research Programs in the Neurosciences and Neurological Disorders - University of Pittsburgh	AWD00004831 (137322-1)	93.853	1,928,709	-
Extramural Research Programs in the Neurosciences and Neurological Disorders - Cleveland Clinic Lerner College of Medicine/CWRU	CCF21368367	93.853	22,371	-
Subtotal - Extramural Research Programs in the Neurosciences and Neurological Disorders			<u>3,284,141</u>	<u>-</u>
Allergy and Infectious Diseases Research - Yale University	GR111745 (CON-80002837)	93.855	(8,516)	-
Allergy and Infectious Diseases Research - Harvard Medical School	152414.5103475.0502	93.855	(2,533)	-
Allergy and Infectious Diseases Research - Harvard Medical School	152416.5102753.0019	93.855	31,396	-
Allergy and Infectious Diseases Research - Harvard Medical School	152414.5103477.0404	93.855	18,501	-

The accompanying notes are an integral part of this schedule.

The Broad Institute, Inc.
Schedule of Expenditure of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Award/Pass-through Entity Identification Number	Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of Health and Human Services				
National Institutes of Health (NIH)				
Pass-through				
Allergy and Infectious Diseases Research - Harvard Medical School	152414.5103479.0403	93.855	147,762	-
Allergy and Infectious Diseases Research - University of Pittsburgh	CNVA00059942 (131616-1)	93.855	142,164	-
Allergy and Infectious Diseases Research - The University of Texas Southwestern Medical Center	GMO 190409 PO# 000001720D	93.855	539,342	-
Allergy and Infectious Diseases Research - Massachusetts General Hospital	234444	93.855	92,869	-
Allergy and Infectious Diseases Research - Radboud University Medical Center	S18-0053-1	93.855	333,587	-
Allergy and Infectious Diseases Research - Beth Israel Deaconess Medical Center, Inc.	01062663	93.855	1,407	-
Allergy and Infectious Diseases Research - Emory University	A842458 (formerly A675056)	93.855	244,630	-
Allergy and Infectious Diseases Research - The Washington University	WU-20-380-MOD-3	93.855	18,371	-
Allergy and Infectious Diseases Research - University of Tennessee	22-3454	93.855	55,055	-
Allergy and Infectious Diseases Research - Scripps Research Institute	5-55068	93.855	426,449	-
Allergy and Infectious Diseases Research - Ohio State University	GR128473 / SPC-1000006762	93.855	234,791	-
Allergy and Infectious Diseases Research - The Feinstein Institutes for Medical Research	AWD00001284-Broad	93.855	58,862	-
COVID-19 - Allergy and Infectious Diseases Research - Massachusetts General Hospital	236831	93.855	(76)	-
Allergy and Infectious Diseases Research - Massachusetts General Hospital	238436	93.855	306,478	-
Allergy and Infectious Diseases Research - University of California, Berkeley	00011058	93.855	34,927	-
Allergy and Infectious Diseases Research - Brigham & Women's Hospital, Inc.	125670	93.855	474,168	-
Allergy and Infectious Diseases Research - Brigham & Women's Hospital, Inc.	125673	93.855	122,253	-
Allergy and Infectious Diseases Research - Beth Israel Deaconess Medical Center, Inc.	01063388	93.855	38,108	-
Allergy and Infectious Diseases Research - Duke University	A035369	93.855	72,125	-
Allergy and Infectious Diseases Research - Radboud University Medical Center	S21-0267-4	93.855	14,621	-
Allergy and Infectious Diseases Research - Scripps Research Institute	5-54984	93.855	10,088	-
Allergy and Infectious Diseases Research - Boston Children's Hospital	GENFD0002258765	93.855	27,075	-
Allergy and Infectious Diseases Research - Beth Israel Deaconess Medical Center, Inc.	01064467	93.855	272,688	-
Allergy and Infectious Diseases Research - Harvard Medical School	151264.5120729.0024	93.855	269,706	-
Subtotal - Allergy and Infectious Diseases Research			<u>3,976,298</u>	-
Biomedical Research and Research Training - Harvard University	164629-5100328	93.859	86,181	-
Biomedical Research and Research Training - Massachusetts General Hospital	242502	93.859	57,210	-
Subtotal - Biomedical Research and Research Training			<u>143,391</u>	-
Child Health and Human Development Extramural Research - Massachusetts General Hospital	225991	93.865	620	-
Child Health and Human Development Extramural Research - Harvard Pilgrim Health Care, Inc.	PH000681E	93.865	244,716	-
Child Health and Human Development Extramural Research - Massachusetts General Hospital	233278	93.865	72,572	-
Child Health and Human Development Extramural Research - Cincinnati Children's Hospital Medical Center	OS00000048AM1 / 304848	93.865	35,873	-
Child Health and Human Development Extramural Research - Massachusetts General Hospital	239083	93.865	345,295	-
Child Health and Human Development Extramural Research - Massachusetts General Hospital	239749	93.865	240,176	-
Child Health and Human Development Extramural Research - Massachusetts General Hospital	239748	93.865	44,103	-
Subtotal - Child Health and Human Development Extramural Research			<u>983,355</u>	-

The accompanying notes are an integral part of this schedule.

The Broad Institute, Inc.
Schedule of Expenditure of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Award/Pass-through Entity Identification Number	Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of Health and Human Services				
National Institutes of Health (NIH)				
Pass-through				
Aging Research -Massachusetts Institute of Technology	S5162 PO# 529181	93.866	45,158	-
Aging Research - Duke University	303000902	93.866	106,087	-
Aging Research -Massachusetts Institute of Technology	55875, PO #823388	93.866	188,889	-
Aging Research -Massachusetts General Hospital	231823	93.866	6,605	-
Aging Research -Massachusetts General Hospital	234056	93.866	35,311	-
Aging Research -University of Massachusetts Amherst	23-017425 B 00	93.866	27,992	-
Subtotal - Aging Research			410,042	-
Vision Research -Icahn School of Medicine at Mount Sinai	0255-8321-4609	93.867	(94)	-
Subtotal - Vision Research			(94)	-
NIH National Cancer Institute				
Leidos Biomedical Research, Inc.	16Q042	93.RD	(117)	-
Leidos Biomedical Research, Inc.	17X149	93.RD	3,649,530	947,855
Leidos Biomedical Research, Inc.	17X149-Q2	93.RD	(9,400)	-
Leidos Biomedical Research, Inc.	17X149 Q15	93.RD	189,780	-
Leidos Biomedical Research, Inc.	17X149Q10	93.RD	2,166,800	-
Leidos Biomedical Research, Inc.	17x149 Q16	93.RD	170,925	-
Subtotal - NIH National Cancer Institute Contracts			6,167,518	947,855
Total - National Institutes of Health - Pass-through			40,120,089.00	913,312
Subtotal - National Institutes of Health			237,381,107.00	34,122,441.00
Department of Health and Human Services				
Centers for Disease Control and Prevention				
Direct				
Centers for Disease Control and Prevention	75D30120C09605	93.RD	2,059,902	393,484
Centers for Disease Control and Prevention	20IPA2009927	93.RD	(575)	-
Centers for Disease Control and Prevention	75D30122C15113	93.RD	1,229,492	555,817
Subtotal - Centers for Disease Control and Prevention			3,288,819	949,301
Subtotal - Department of Health and Human Services				
Centers for Disease Control and Prevention - Direct			3,288,819	949,301
Pass-through				
Prevention of Disease, Disability, and Death by Infectious Diseases				
Massachusetts General Hospital	239664	93.084	43,812	-
Prevention of Disease, Disability, and Death by Infectious Diseases				
Massachusetts General Hospital	242093	93.084	20,216	-
Subtotal - Prevention of Disease, Disability, and Death by Infectious Diseases			64,028	-
Subtotal - Centers for Disease Control and Prevention - Indirect			64,028	-
Subtotal - Department of Health and Human Services			3,352,847	949,301
National Science Foundation				
Direct				
Biological Sciences	2022012	47.074	107,297	-
Biological Sciences	2134695	47.074	175,990	-
Subtotal - Biological Sciences			283,287	-
Education and Human Resources	2100959	47.076	7,121	-
Subtotal - Education and Human Resources			7,121	-
Subtotal - National Science Foundation			290,408.00	-
Research and Development Cluster				
U.S. Department of Agriculture				
Direct				
Agricultural Research Basic and Applied Research	58-3022-2-031	10.001	165,756	-
Subtotal- U.S. Department of Agriculture			165,756	-
Department of Defense				
Direct				
Basic and Applied Scientific Research	N00014-23-1-2465	12.300	3,213	-
Subtotal - Basic and Applied Scientific Research			3,213	-
Military Medical Research and Development	W81XWH-20-1-0325	12.420	32,874	-
Military Medical Research and Development	W81XWH2210345	12.420	483,999	-
Military Medical Research and Development	W81XWH2210851	12.420	177,218	-
Military Medical Research and Development	W81XWH2210906	12.420	82,257	-
Military Medical Research and Development	W81XWH2220073	12.420	130,357	27,127
Subtotal - Military Medical Research and Development			906,705	27,127
COVID-19- Research and Technology Development	D18AC00006	12.910	(5,258)	-

The accompanying notes are an integral part of this schedule.

The Broad Institute, Inc.
Schedule of Expenditure of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Award/Pass-through Entity Identification Number	Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of Defense				
Direct				
Research and Technology Development	N660011824502	12.910	(13,255)	-
Research and Technology Development	HR00112120010	12.910	3,823,284	804,355
Subtotal - Research and Technology Development			<u>3,804,771</u>	<u>804,355</u>
Subtotal - Department of Defense - Direct			<u>4,714,689</u>	<u>831,482</u>
Department of Defense				
Pass-through				
Military Medical Research and Development - Harvard School of Public Health	111266-5107791	12.420	(18)	-
Military Medical Research and Development - Dana Farber Cancer Institute, Inc.	3086401	12.420	32,365	-
Military Medical Research and Development - Dana Farber Cancer Institute, Inc.	3089103	12.420	63,318	-
Subtotal - Military Medical Research and Development			<u>95,665</u>	<u>-</u>
Research and Technology Development - Massachusetts Institute of Technology	S4599-004	12.910	(2,768)	-
Subtotal - Research and Technology Development			<u>(2,768)</u>	<u>-</u>
Subtotal - Department of Defense - Pass-through			<u>92,897</u>	<u>-</u>
Subtotal - Department of Defense			<u>4,807,586</u>	<u>831,482</u>
United States Agency for International Development				
Pass-through				
USAID Foreign Assistance for Programs Overseas- Tufts University	AI9023	98.001	98,413	-
Subtotal - United States Agency for International Development			<u>98,413</u>	<u>-</u>
Office of the Director of National Intelligence				
Direct				
Intelligence Advanced Research Projects Activity	2019-19081900002	93.RD	328,013	125,979
Subtotal - Intelligence Advanced Research Projects Activity			<u>328,013</u>	<u>125,979</u>
Subtotal - Office of the Director of National Intelligence - Direct			<u>328,013</u>	<u>125,979</u>
Total Research and Development Cluster			<u>246,424,130</u>	<u>36,029,203</u>
Total Expenditures of Federal Awards			<u>\$ 246,424,130</u>	<u>\$ 36,029,203</u>

The accompanying notes are an integral part of this schedule.

The Broad Institute, Inc.
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

1. Basis of Presentation

The information in the accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant transactions of The Broad Institute, Inc. (the “Institute”), and was prepared using the accrual basis of accounting. The information in this schedule is presented in accordance with the 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).

For purposes of the Schedule, federal awards include all grants, contracts and similar agreements entered into directly between the Institute and agencies and departments of the federal government and all sub-awards to the Institute by nonfederal organizations pursuant to federal grants, contracts and similar agreements. Since the Schedule presents only a selected portion of activities of the Institute, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Institute.

Negative numbers in the Schedule represent adjustments to amounts reported in prior years in the normal course of business. Assistance listing numbers and pass-through numbers are provided when available.

2. Indirect Costs

The Institute applies its predetermined approved facilities and administrative rate when charging indirect costs to federal awards rather than the 10% de minimis cost rate as described in Section 200.414 of the Uniform Guidance.

PART II - Reports on Internal Controls and Compliance



Report of Independent Auditors 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*

To the Board of Directors of The Broad Institute, Inc.

We have audited, in accordance with 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 The Broad Institute, Inc. and its subsidiary (the "Institute"), which comprise the statement of financial position as of June 30, 2023 and the related consolidated statements of activities and of cash flows for the year then ended, including the related notes (collectively referred to as the "consolidated financial statements"), and have issued our report thereon dated November 3, 2023.

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 Institute’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 Institute’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

Boston, Massachusetts
November 3, 2023



Report of Independent Auditors on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance

To the Board of Directors of The Broad Institute, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Broad Institute, Inc. and its subsidiary'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 June 30, 2023. The Institute's major federal programs are identified in the summary of auditor's 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 June 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 (US 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 US 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 US 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 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 consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



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.

PricewaterhouseCoopers LLP

Boston, Massachusetts
November 3, 2023

Part III – Findings and Questioned Costs

The Broad Institute, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____yes X no

Significant deficiency(ies) identified that are not considered to be material weaknesses? _____yes X none reported

Noncompliance material to financial statements noted? _____yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____yes X no

Significant deficiency(ies) identified that are not considered to be material weaknesses? _____yes X none reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____yes X no

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
Various	Research and Development Cluster
Dollar threshold used to distinguish between type A and type B programs:	\$ 3,000,000
Auditee qualified as low-risk auditee?	<u> X </u> yes <u> </u> no

The Broad Institute, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section II – Financial Statement Findings

None noted.

The Broad Institute, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section III - Federal Award Findings and Questioned Costs

None noted.

The Broad Institute, Inc.
Summary Schedule of Prior Audit Findings and Status
Year Ended June 30, 2023

There are no findings from prior years that require an update in this report.