

# **The Broad Institute, Inc.**

**Report on Federal Awards in  
Accordance with the Uniform Guidance  
For the Year Ended June 30, 2022  
EIN # 26-3428781**

# The Broad Institute, Inc.

## Index

Year Ended June 30, 2022

---

	Page(s)
<b>Part I - Consolidated Financial Statements and Schedule of Expenditures of Federal Awards</b>	
Report of Independent Auditors .....	1-3
Consolidated Financial Statements and Footnotes .....	4-25
Schedule of Expenditures of Federal Awards .....	26-34
Note to Schedule of Expenditures of Federal Awards .....	35
<b>Part II - Reports on Internal Control and Compliance</b>	
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 <i>Government Auditing Standards</i> .....	36-37
Report of Independent Auditors on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance .....	38-40
<b>Part III - Findings and Questioned Costs</b> .....	41-43
<b>Part IV - Summary Schedule of Prior Audit Findings and Status</b> .....	44

**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.

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

#### ***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, 2022 and 2021, 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, 2022 and 2021, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Institute and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 consolidated financial statements are issued.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of



not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

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

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

### ***Supplemental Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2022 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2022 on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2022. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Institute's internal control over financial reporting and compliance.

*PricewaterhouseCoopers LLP*

Boston, Massachusetts  
October 27, 2022

**The Broad Institute, Inc.**  
**Consolidated Statements of Financial Position**  
**June 30, 2022 and 2021**

<i>(in thousands of dollars)</i>	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 872,514	\$ 752,066
Agency cash	10,467	9,316
Accounts receivable, net	113,072	134,234
Materials and supplies inventory, net	46,332	64,402
Prepaid expenses and other assets, net	28,237	18,672
Pledges receivable, net	160,435	124,761
Beneficial interest in trust	61,334	63,719
Investments	962,122	983,499
Property, plant and equipment, net	436,867	429,359
Operating lease right-of-use assets, net	36,786	46,357
Total assets	<u>\$ 2,728,166</u>	<u>\$ 2,626,385</u>
<b>Liabilities</b>		
Accounts payable	\$ 22,727	\$ 24,501
Accrued expenses and other liabilities	206,285	226,529
Agency funds payable	10,467	9,316
Advance payments	141,596	137,211
Operating lease liabilities	38,145	47,828
Finance lease obligation	98,070	98,693
Debt, net	251,453	266,680
Total liabilities	<u>768,743</u>	<u>810,758</u>
<b>Net assets</b>		
Without donor restrictions	704,704	569,219
With donor restrictions	1,254,719	1,246,408
Total net assets	<u>1,959,423</u>	<u>1,815,627</u>
Total liabilities and net assets	<u>\$ 2,728,166</u>	<u>\$ 2,626,385</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, 2022 and 2021**

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<i>(in thousands of dollars)</i>						
<b>Operating activities</b>						
Revenues and other support						
Grants and contracts	\$ 470,637	\$ 1,249	\$ 471,886	\$ 431,385	\$ 5,327	\$ 436,712
Endowment returns made available for operations	30,377	2,435	32,812	30,119	852	30,971
Fees and services	356,499	-	356,499	610,859	-	610,859
Contributions, net	687	158,850	159,537	2,277	213,460	215,737
Other income	20,231	-	20,231	29,681	-	29,681
Net assets released from restrictions	79,697	(79,697)	-	79,039	(79,039)	-
Total revenues and other support	<u>958,128</u>	<u>82,837</u>	<u>1,040,965</u>	<u>1,183,360</u>	<u>140,600</u>	<u>1,323,960</u>
Expenses						
Research and testing	702,951	-	702,951	745,010	-	745,010
Management and general	113,962	-	113,962	111,224	-	111,224
Total operating expenses	<u>816,913</u>	<u>-</u>	<u>816,913</u>	<u>856,234</u>	<u>-</u>	<u>856,234</u>
Income from operations	<u>141,215</u>	<u>82,837</u>	<u>224,052</u>	<u>327,126</u>	<u>140,600</u>	<u>467,726</u>
<b>Nonoperating activities</b>						
Nonoperating gains (losses)						
Investment return, net	(5,730)	(39,329)	(45,059)	21,945	261,439	283,384
Change in beneficial interest in trust	-	(2,385)	(2,385)	-	34,418	34,418
Endowment returns made available for operations	-	(32,812)	(32,812)	-	(30,971)	(30,971)
Total nonoperating (losses) gains, net	<u>(5,730)</u>	<u>(74,526)</u>	<u>(80,256)</u>	<u>21,945</u>	<u>264,886</u>	<u>286,831</u>
Increase in net assets	135,485	8,311	143,796	349,071	405,486	754,557
<b>Net assets</b>						
Beginning of year	<u>569,219</u>	<u>1,246,408</u>	<u>1,815,627</u>	<u>220,148</u>	<u>840,922</u>	<u>1,061,070</u>
End 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>

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, 2022 and 2021**

<i>(in thousands of dollars)</i>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 143,796	\$ 754,557
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	44,509	40,622
Non-cash lease expense	9,571	9,229
Amortization of premium on issued debt	(2,697)	(2,740)
Realized and unrealized losses (gains), net	46,953	(282,088)
Gain on disposal of equipment, net	(7)	(1,104)
Contributions used for long-term investments	(44,130)	(97,263)
Donated equipment	-	(687)
Change in pledges receivable, net	(35,674)	(17,584)
Change in accounts receivable, net	21,162	(40,001)
Change in materials and supplies inventory, net	18,070	(47,823)
Change in prepaid expenses and other assets	(9,565)	21,237
Change in advance payments	4,385	65,960
Change in operating assets	46,966	(59,472)
Change in operating lease liability	(9,683)	(9,298)
Change in operating liabilities	(25,680)	108,806
Net cash and cash equivalents provided by operating activities	<u>207,976</u>	<u>442,351</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(47,009)	(55,741)
Proceeds from sale of equipment	18	143
Purchases of investments	(101,066)	(1,251)
Proceeds from sale of investments	29,552	41,681
Net cash and cash equivalents used for investing activities	<u>(118,505)</u>	<u>(15,168)</u>
<b>Cash flows from financing activities</b>		
Payments on finance leases	(623)	(594)
Payments on debt	(12,530)	(12,630)
Contributions used for long-term investments	44,130	97,263
Net cash and cash equivalents provided by financing activities	<u>30,977</u>	<u>84,039</u>
Net increase in cash and cash equivalents	120,448	511,222
<b>Cash and cash equivalents</b>		
Beginning of year	<u>752,066</u>	<u>240,844</u>
End of year	<u>\$ 872,514</u>	<u>\$ 752,066</u>
<b>Supplemental information</b>		
Capital expenditures accrued	\$ 8,756	\$ 3,738
Cash paid for interest	15,966	16,508

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

# The Broad Institute, Inc.

## Notes to the Consolidated Financial Statements

### June 30, 2022 and 2021

---

#### 1. Corporate 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.

# The Broad Institute, Inc.

## Notes to the Consolidated Financial Statements

### June 30, 2022 and 2021

---

#### **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, 2022 and 2021 were \$4.3 million and \$4.6 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 funds payable. Funds awarded to the Institute by SCC were \$2.1 million and \$1.2 million for the years ended June 30, 2022 and 2021, respectively.

# The Broad Institute, Inc.

## Notes to the Consolidated Financial Statements

### June 30, 2022 and 2021

---

#### **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. At June 30, 2021, the Institute held certain inventory used exclusively for COVID-19 testing. It was deemed unlikely that the full amount of COVID-19 testing inventory on hand would be used prior to expiration or resold for the carrying value. As a result, the net realizable value of materials and supplies inventory reflected in the consolidated statements of financial position included an obsolescence reserve of \$12.6 million as of June 30, 2021. As of June 30, 2022, no inventory obsolescence reserve was required based on the anticipated COVID-19 testing volume and current COVID-19 testing 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. Capitalized software implementation costs, included in prepaid expenses and other assets, net, were \$4.8 million and \$0 as of June 30, 2022 and 2021, respectively. Total amortization expense for capitalized software was \$0 for 2022 and 2021. Total accumulated amortization for capitalized software was \$0 as of June 30, 2022 and 2021, respectively.

#### **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, 2022 and 2021.

#### **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, 2022 and 2021

---

#### **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, 2022 and 2021, there were \$2.1 million and \$0, respectively, in deferred charges in prepaid expenses and other assets, whereas at June 30, 2022 and 2021, deferred charges included in accrued expenses and other liabilities were \$59.9 million and \$38.3 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 \$748 thousand and \$839 thousand at June 30, 2022 and 2021, respectively. These costs are presented as a deduction from debt on the statements of financial position.

# The Broad Institute, Inc.

## Notes to the Consolidated Financial Statements

### June 30, 2022 and 2021

---

#### **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 includes 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 \$580.2 million and \$505.1 million of conditional grants and contracts not recognized as revenue in the statements of activities, at June 30, 2022 and 2021, 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 \$286.0 million and \$295.8 million at June 30, 2022 and 2021, 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, 2022. 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 53% and 50% of its grants and contracts revenues from governmental agencies for the years ended June 30, 2022 and 2021, respectively. The Institute received 95% and 80% of this revenue from the National Institutes of Health for the years ended June 30, 2022 and 2021, 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.

**The Broad Institute, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2022 and 2021**

---

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, 2022 and 2021 were \$25.0 million and \$43.2 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.

# The Broad Institute, Inc.

## Notes to the Consolidated Financial Statements

### June 30, 2022 and 2021

---

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 recognized \$16.4 million and \$26.8 million under intellectual property licensing "right to use" and royalty agreements for the years ended June 30, 2022 and 2021, 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, 2022 and 2021, revenue related to milestone achievements was \$12.0 million and \$11.1 million, respectively. There were no material contractual performance obligations that had not been met for the years ended June 30, 2022 and 2021.

#### **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, 2022 and 2021. Employer contributions to the plan for the years ended June 30, 2022 and 2021 totaled \$16.7 million and \$15.1 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.

#### **Tax Status**

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



**The Broad Institute, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2022 and 2021**

---

**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 \$4.8 million as of June 30, 2022.

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, 2022 ranges from 2.92% to 3.38%. 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, 2022 and 2021 are expected to be realized as follows:

<i>(in thousands of dollars)</i>	<b>2022</b>	<b>2021</b>
Less than one year	\$ 68,008	\$ 45,030
One to five years	73,070	45,760
More than five years	36,150	44,000
Pledges receivable	177,228	134,790
Less: Present value discount	(16,793)	(10,029)
Pledges receivable, net	\$ 160,435	\$ 124,761

**The Broad Institute, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2022 and 2021**

---

A rollforward of pledges receivable at June 30, 2022 and 2021 is as follows:

*(in thousands)*

<b>Pledges receivable, net at June 30, 2020</b>	<b>\$ 107,177</b>
New pledges	118,206
Pledge payments received	(90,643)
Pledge discount	(9,979)
<b>Pledges receivable, net at June 30, 2021</b>	<b>124,761</b>
New pledges	90,003
Pledge payments received	(47,565)
Pledge discount	(6,764)
<b>Pledges receivable, net at June 30, 2022</b>	<b>\$ 160,435</b>

At June 30, 2022 and 2021, the Institute held \$309.1 million and \$310.6 million, respectively, of conditional pledges not recognized as assets in the statements of financial position. 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. Of the conditional pledges at June 30, 2021, \$215.0 million were subject to matching requirements by specific dates and \$95.6 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

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

**The Broad Institute, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2022 and 2021**

---

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

<i>(in thousands of dollars)</i>	<b>2022</b>	<b>2021</b>
<b>Endowment net assets at beginning of year</b>	\$ 965,398	\$ 688,838
Contributions and pledges	61,443	55,182
Investment return	(33,774)	252,349
Endowment returns made available for operations	(32,812)	(30,971)
<b>Endowment net assets at end of year</b>	<u>\$ 960,255</u>	<u>\$ 965,398</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 \$32.8 million and \$31.0 million for the years ending June 30, 2022 and 2021, 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, 2022 or 2021.

**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.

**The Broad Institute, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2022 and 2021**

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, 2022, grouped by the valuation hierarchy as defined above:

	<b>2022</b>			
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Fair Value at June 30, 2022</b>
<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>

The table below represents the Institute’s financial instruments at fair value at June 30, 2021, grouped by the valuation hierarchy as defined above:

	<b>2021</b>			
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Fair Value at June 30, 2021</b>
<i>(in thousands of dollars)</i>				
Common stock	\$ 50,712	\$ -	\$ -	\$ 50,712
Mutual and exchange traded funds	32,729	-	-	32,729
Pledges receivable, net	-	-	124,761	124,761
Beneficial interest in trust	-	-	63,719	63,719
Total assets at fair value	<u>\$ 83,441</u>	<u>\$ -</u>	<u>\$ 188,480</u>	<u>\$ 271,921</u>

Investments include units in the Global Endowment Fund II, LP, SCHF USTE, L.P. (“Sequoia Heritage”), and CareGroup Investment Partnership, LLP (the “Funds”). Profit and losses of the Funds are allocated to the partners in the Funds according to their respective units in the Funds. The units are valued utilizing the NAV provided by the Funds. The Funds determine net asset values 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, based on the information provided by the management or administrator of the Funds, which may include the audited financial statements of the Funds. 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.

# The Broad Institute, Inc.

## Notes to the Consolidated Financial Statements

### June 30, 2022 and 2021

---

The funds invested with Partners Capital Investment Group, LLP (“Partners Capital”) are valued based on the classification as determined by the hierarchy of valuation inputs, or utilizing NAV, depending on the nature of the underlying investments.

Fair value of investments valued using NAV as a practical expedient were \$947.4 million and \$897.8 million at June 30, 2022 and 2021, respectively. The Institute also held cash and cash equivalents within investments of \$5.0 million and \$2.3 million at June 30, 2022 and 2021, respectively. The total fair value of investments were \$962.1 million and \$983.5 million at June 30, 2022 and 2021, respectively.

Funded commitments at June 30, 2022 were \$100 million. There were no funded commitments at June 30, 2021. Unfunded commitments at June 30, 2022 were \$50.0 million and \$80.1 million at June 30, 2022 and 2021, respectively.

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

- Interests in Global Endowment Fund II, LP 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. Up to 100% of total investments can be withdrawn, 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. At termination, the portion of the Fund held in liquid investments would be redeemed for cash, while private 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.
- The funds managed by Partners Capital have no explicit withdrawal terms, however at June 30, 2022, 6% of invested funds under management have daily liquidity, 4% have monthly liquidity or better, 0% of invested funds under management have quarterly liquidity or better; 49.0% has annual liquidity restrictions, and 41.0% have greater than 1 year liquidity restrictions or are illiquid.
- Notice of withdrawal from Sequoia Heritage must be made 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 Sequoia Heritage’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 Sequoia Heritage will distribute the remaining liquid balance. Net proceeds from the sale of previously illiquid investments will be distributed to the Institute within 45 days of such sale by Sequoia Heritage, 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.
- For CareGroup Investment Partnership, LLP, (“CareGroup”), at the request of the Institute, the investment managers of the fund are utilizing a liquidation strategy for the Institute’s portion of the fund. A portion of the Institute’s position in CareGroup has been liquidated as of June 30, 2022, with \$56.3 million and \$82.1 million of illiquid investments remaining in CareGroup as of June 30, 2022 and 2021, respectively. These remaining illiquid investments are being liquidated over time as the restrictions on the funds allow.

**The Broad Institute, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2022 and 2021**

---

Investment allocation at June 30, 2022 and 2021 was as follows:

	<b>2022</b>	<b>2021</b>
Hedged equity/credit	9 %	10 %
Equity	62	56
Cash and cash equivalents	2	4
Real estate/real assets	16	11
Fixed income	6	4
Common stock	0	5
Other	5	10
	<u>100 %</u>	<u>100 %</u>

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

The Institute held \$59.2 million and \$61.6 million of investments on behalf of its beneficial interest in trust as of June 30, 2022 and 2021, respectively. An offsetting amount is recorded for the same amount in accrued expenses and other liabilities.

The table below is a rollforward of the Institute's beneficial interest in trust classified within Level 3 of the fair value hierarchy at June 30, 2022 and 2021:

*(in thousands of dollars)*

<b>Beneficial interest in trust at June 30, 2020</b>	\$ 29,301
Change in value	17,918
Pledge reduction	<u>16,500</u>
<b>Beneficial interest in trust at June 30, 2021</b>	63,719
Change in value	(2,385)
Pledge reduction	<u>-</u>
<b>Beneficial interest in trust at June 30, 2022</b>	<u>\$ 61,334</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.

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.

**The Broad Institute, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2022 and 2021**

---

**6. Property, Plant and Equipment**

The major categories of property, plant and equipment at June 30, 2022 and 2021 are summarized as follows:

<i>(in thousands of dollars)</i>	<b>2022</b>	<b>2021</b>
Land	\$ 25,000	\$ 25,000
Building and building improvements	321,876	310,181
Equipment	220,313	207,632
Leasehold improvements	68,220	65,125
Building under finance lease	101,720	101,720
Assets under construction	14,651	5,801
Total property, plant and equipment, gross	751,780	715,459
Accumulated depreciation	(314,913)	(286,100)
Total property, plant and equipment, net	\$ 436,867	\$ 429,359

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 \$624 thousand and \$4.9 million, respectively, for the year ended June 30, 2022 and \$594 thousand and \$4.9 million, respectively, for the year ended June 30, 2021. Accumulated depreciation related to this lease was \$13.0 million and \$11.0 million at June 30, 2022 and 2021, 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.

The adoption of ASU 2016-02 resulted in the recognition of operating lease liabilities of \$50.4 million, and operating right-of-use assets of \$49 million on the Institute's consolidated statements of financial position as of July 1, 2020.

**The Broad Institute, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2022 and 2021**

The components for lease expense for the years ended June 30, 2022 and 2021 are as follows:

<i>(in thousands of dollars)</i>	<b>2022</b>	<b>2021</b>
Operating lease costs	\$ 10,141	\$ 9,850
Variable and short-term lease cost (a)	9,633	8,704
Total lease and rental expense	<u>\$ 19,774</u>	<u>\$ 18,554</u>
<b>Finance lease cost:</b>		
Amortization of right-of-use assets - finance leases	\$ 623	\$ 594
Interest on lease liabilities - finance leases	4,858	4,888
Total finance lease cost	<u>\$ 5,481</u>	<u>\$ 5,482</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, 2022 are as follows:

	<b>2022</b>	<b>2021</b>
Weighted average remaining lease term, operating leases, (years)	5.47	6.10
Weighted average remaining lease term, finance leases, (years)	43.60	44.60
Weighted average discount rate, operating leases	0.70 %	0.69 %
Weighted average discount rate, finance leases	5.05 %	5.05 %

Supplemental cash flow information related to leases for the years ended June 30, 2022 and 2021 is as follows:

<i>(in thousands of dollars)</i>	<b>2022</b>	<b>2021</b>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from finance leases	\$ 4,858	\$ 4,888
Operating cash outflows from operating leases	9,980	9,634
Financing cash outflows from finance leases	623	594
	<u>\$ 15,461</u>	<u>\$ 15,116</u>
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ -	\$ 55,586

The Institute is the lessee of space under both operating and finance leases. Rent expense relating to operating leases was \$10.3 million and \$9.9 million for the years ended June 30, 2022 and 2021, respectively.



**The Broad Institute, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2022 and 2021**

---

Future minimum payments under these operating and finance leases as of June 30, 2022 are as follows:

<i>(in thousands of dollars)</i>	<b>Operating Leases</b>	<b>Finance Leases</b>
2023	\$ 8,674	\$ 5,482
2024	8,461	5,482
2025	5,370	5,482
2026	4,802	5,482
2027	4,863	5,482
Thereafter	<u>6,737</u>	<u>211,505</u>
Total lease payments due	38,907	238,915
Less amounts representing interest	<u>762</u>	<u>140,845</u>
Total	<u>\$ 38,145</u>	<u>\$ 98,070</u>

As of June 30, 2022, 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 2023 with a lease term of 15 years. This undiscounted amount is not included in the tables above.

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 right-of-use asset of \$7.9 million and operating lease liability of \$7.9 million.

In September 2022, the Institute entered into 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 \$2.9 million for the years ended June 30, 2022 and 2021. OID amortization expense for the years ended June 30, 2022 and 2021 was \$72 thousand and \$73 thousand, respectively. These amortization amounts are included in interest expense.

**The Broad Institute, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2022 and 2021**

---

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)*

2023	\$	12,475
2024		12,330
2025		12,235
2026		12,150
2027		12,110
Thereafter		163,774
Unamortized:		
Premiums		27,830
Discounts		(703)
Issuance costs		(748)
		<u>251,453</u>
Debt, net	\$	<u>251,453</u>

In April 2020, the Institute entered into a credit agreement with a financial institution which provides for a revolving line of credit up \$50.0 million. The credit agreement expires in March 2023. In 2022, outstanding borrowings bear interest at a rate per year equal to the BSBY Daily Floating Rate plus .60% (effectively 2.2%). In 2021, outstanding borrowings bore interest at a LIBOR Daily Floating Rate plus 0.85% (effectively 0.94%). There were no outstanding borrowings during the years ending June 30, 2022 and 2021, 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.

**The Broad Institute, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2022 and 2021**

**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.

Operating and nonoperating expenses by functional and natural classification as of June 30, 2022 and 2021 were as follows:

<i>(in thousands of dollars)</i>	<b>2022</b>		
	<b>Research and Testing</b>	<b>Management and General</b>	<b>Total</b>
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>

<i>(in thousands of dollars)</i>	<b>2021</b>		
	<b>Research and Testing</b>	<b>Management and General</b>	<b>Total</b>
Salaries and wages	\$ 150,779	\$ 42,103	\$ 192,882
Employee benefits	42,227	12,007	54,234
Materials and services	396,211	43,923	440,134
Rent, utilities, and maintenance	32,051	5,210	37,261
Grants and other assistance	60,646	122	60,768
Depreciation	37,445	3,177	40,622
Interest	11,572	2,069	13,641
Other	14,079	2,613	16,692
Total expenses	<u>\$ 745,010</u>	<u>\$ 111,224</u>	<u>\$ 856,234</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.

**The Broad Institute, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2022 and 2021**

---

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>	<b>2022</b>	<b>2021</b>
<b>Financial assets</b>		
Cash and cash equivalents	\$ 872,514	\$ 752,066
Agency cash	10,467	9,316
Accounts receivable, net	113,072	134,234
Investments	<u>962,122</u>	<u>983,499</u>
Total financial assets, at year-end	1,958,175	1,879,115
Less those unavailable for general expenditures within 12 months of the balance sheet date		
Cash and cash equivalents not available for general expenditure	(272,032)	(324,308)
Agency cash	(10,467)	(9,316)
Accounts receivable, collectible beyond one year	(679)	(593)
Investments restricted by purpose or time beyond one year	<u>(923,853)</u>	<u>(899,975)</u>
Financial assets available to meet cash needs for general expenditures within 12 months of the balance sheet date	<u>\$ 751,144</u>	<u>\$ 644,923</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, 2022 and 2021, in the amount of \$90.5 million and \$41.6 million, respectively, mainly related to purchases of property management services, computing storage, laboratory supplies, construction, and software.

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 October 27, 2022, the date the consolidated financial statements were issued. Other than what has been disclosed in Note 7, there were no additional items requiring adjustment of the financial statements or additional disclosures.

## **Schedule of Expenditures of Federal Awards**

**The Broad Institute, Inc.**  
**Schedule of Expenditure of Federal Awards**  
**Year Ended June 30, 2022**

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
<b>Research and Development Cluster</b>				
<b>Department of Health and Human Services</b>				
<b>National Institutes of Health (NIH)</b>				
<b>Direct</b>				
Human Genome Research	UM1HG008895	93.172	\$ 484,224	\$ -
Human Genome Research	UM1HG008900	93.172	(261)	-
Human Genome Research	RM1HG006193	93.172	416,470	-
Human Genome Research	R25HG006682	93.172	311,906	-
Human Genome Research	R01HG009276	93.172	4,531	14,171
Human Genome Research	UM1HG009390	93.172	1,164,353	-
Human Genome Research	U41HG009494	93.172	557,692	83,479
Human Genome Research	R01HG009283	93.172	431,647	(18,678)
COVID-19 - Human Genome Research	R01HG009283	93.172	267,545	-
Human Genome Research	UM1HG009435	93.172	948,107	607,671
Human Genome Research	R01HG009141	93.172	140,027	140,292
Human Genome Research	U24HG010262	93.172	5,536,237	2,332,624
Human Genome Research	R01HG010647	93.172	947,284	-
Human Genome Research	K99HG010669	93.172	49,250	-
Human Genome Research	F32HG011434	93.172	59,266	-
Human Genome Research	U24HG011450	93.172	1,599,791	28,059
Human Genome Research	U24HG011025	93.172	1,394,291	204,786
Human Genome Research	U01HG011755	93.172	1,706,984	150,664
Human Genome Research	U24HG006834	93.172	3,374,474	1,428,127
Human Genome Research	U01HG011723	93.172	692,497	263,920
Human Genome Research	UM1HG011986	93.172	1,279,852	305,842
Human Genome Research	R01HG009761	93.172	622,169	-
Human Genome Research	U24HG012090	93.172	355,168	10,736
Human Genome Research	U24HG011453	93.172	241,549	2,712
Subtotal - Human Genome Research			<u>22,585,053</u>	<u>5,554,405</u>
Mental Health Research Grants	U01MH111660	93.242	305,947	-
Mental Health Research Grants	R01MH111529	93.242	(482)	-
Mental Health Research Grants	R01MH111813	93.242	(7,226)	(177,954)
Mental Health Research Grants	U01MH115727	93.242	2,215,065	485,893
Mental Health Research Grants	R01MH115045	93.242	239,404	-
Mental Health Research Grants	R37MH107649	93.242	859,017	224,510
Mental Health Research Grants	K99MH119327	93.242	7,317	-
Mental Health Research Grants	U01MH119689	93.242	904,766	135,609
Mental Health Research Grants	R01MH115957	93.242	690,592	74,292
Mental Health Research Grants	UG3MH120096	93.242	2,708,147	275,697
Mental Health Research Grants	R01MH120642	93.242	403,839	319,346
Mental Health Research Grants	RF1MH121289	93.242	542,338	-
Mental Health Research Grants	R21MH120423	93.242	188,027	-
Mental Health Research Grants	U01MH121499	93.242	355,718	-
Mental Health Research Grants	U01MH125047	93.242	558,353	163,297
Mental Health Research Grants	RF1MH124598	93.242	901,399	-
Mental Health Research Grants	U01MH124602	93.242	1,845,144	-
Mental Health Research Grants	R21MH126409	93.242	167,545	-
Mental Health Research Grants	R01MH127085	93.242	272,834	-
Mental Health Research Grants	S10MH124736	93.242	327,553	-
Mental Health Research Grants	R21MH129560	93.242	39,001	-
Mental Health Research Grants	R01MH129722	93.242	58,053	-
Subtotal - Mental Health Research Grants			<u>13,582,351</u>	<u>1,500,690</u>
Drug Abuse and Addiction Research Programs	U01DA053631	93.279	1,997,827	355,408
Subtotal - Drug Abuse and Addiction Research Programs			<u>1,997,827</u>	<u>355,408</u>
Discovery and Applied Research for Technological Innovations to Improve Human Health	R01EB031172	93.286	564,383	-
Subtotal - Discovery and Applied Research for Technological Innovations to Improve Human Health			<u>564,383</u>	<u>-</u>
COVID-19-Trans-NIH Research Support	U54HL127366	93.310	460,223	-
Trans-NIH Research Support	R01DK113597	93.310	20,578	20,578
Trans-NIH Research Support	U24DK112340	93.310	1,692,409	493,789
Trans-NIH Research Support	DP5OD024582	93.310	446,922	-
Trans-NIH Research Support	DP5OD024583	93.310	461,149	-
Trans-NIH Research Support	DP5OD024590	93.310	(58,092)	-
Trans-NIH Research Support	U01AI142756	93.310	387,580	-
Trans-NIH Research Support	UG3NS111689	93.310	47,267	-
Trans-NIH Research Support	UH3CA246632	93.310	734,854	8,503
Trans-NIH Research Support	DP5OD029574	93.310	343,813	-
Trans-NIH Research Support	OT2OD030161	93.310	633,880	-
Trans-NIH Research Support	R03OD032626	93.310	219,045	-
Trans-NIH Research Support	OT2DB000010	93.310	1,695,393	514,017
Trans-NIH Research Support	UH3NS111689	93.310	933,700	-
Subtotal - Trans-NIH Research Support			<u>8,018,721</u>	<u>1,036,887</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, 2022**

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
<b>Research and Development Cluster</b>				
<b>Department of Health and Human Services</b>				
<b>National Institutes of Health (NIH)</b>				
<b>Direct</b>				
National Center for Advancing Translational Sciences	OT2TR003437	93.350	668,481	-
National Center for Advancing Translational Sciences	OT2TR003433	93.350	432,923	-
Subtotal - National Center for Advancing Translational Sciences			<u>1,101,404</u>	<u>-</u>
21st Century Cures Act - Beau Biden Cancer Moonshot	U01CA250565	93.353	880,614	-
21st Century Cures Act - Beau Biden Cancer Moonshot	U2CCA252974	93.353	1,710,186	438,448
Subtotal - 21st Century Cures Act - Beau Biden Cancer Moonshot			<u>2,590,800</u>	<u>438,448</u>
Cancer Cause and Prevention Research	R01CA208756	93.393	106,361	-
Cancer Cause and Prevention Research	U01CA217848	93.393	1,216,597	-
Cancer Cause and Prevention Research	K00CA253754	93.393	86,481	-
Subtotal - Cancer Cause and Prevention Research			<u>1,409,439</u>	<u>-</u>
Cancer Detection and Diagnosis Research	U24CA210986	93.394	278,968	-
Cancer Detection and Diagnosis Research	U24CA210979	93.394	137,946	-
Cancer Detection and Diagnosis Research	U24CA210978	93.394	60,597	1,189
Cancer Detection and Diagnosis Research	U24CA210999	93.394	753,085	-
Cancer Detection and Diagnosis Research	UH2CA239105	93.394	110,812	8,685
Cancer Detection and Diagnosis Research	U24CA264029	93.394	308,941	4,128
Cancer Detection and Diagnosis Research	U24CA264024	93.394	292,855	70,669
Cancer Detection and Diagnosis Research	U24CA271075	93.394	23	-
Cancer Detection and Diagnosis Research	U24CA270823	93.394	19,800	-
Subtotal - Cancer Detection and Diagnosis Research			<u>1,963,027</u>	<u>84,671</u>
Cancer Treatment Research	R01CA219943	93.395	521,792	64,778
Cancer Treatment Research	R01CA233626	93.395	319,714	-
Subtotal - Cancer Treatment Research			<u>841,506</u>	<u>64,778</u>
Cancer Biology Research	R50CA211461	93.396	23,696	-
Cancer Biology Research	U24CA180922	93.396	1,137,160	91,637
Cancer Biology Research	R35CA242457	93.396	739,663	-
Cancer Biology Research	R01CA248280	93.396	339,417	-
Cancer Biology Research	R33CA246455	93.396	737,593	133,119
Cancer Biology Research	U24CA248455	93.396	715,783	-
Cancer Biology Research	R21CA269103	93.396	6,357	-
Subtotal - Cancer Biology Research			<u>3,699,669</u>	<u>224,756</u>
Cardiovascular Diseases Research	U54HL127366	93.837	71,461	-
Cardiovascular Diseases Research	R01HL143295	93.837	1,216,656	483,262
Cardiovascular Diseases Research	F32HL154711	93.837	47,966	-
Cardiovascular Diseases Research	R01HL157717	93.837	43,110	-
Cardiovascular Diseases Research	K99HL163805	93.837	35,422	-
Subtotal - Cardiovascular Diseases Research			<u>1,414,615</u>	<u>483,262</u>
Blood Diseases and Resources Research	DP1HL141201	93.839	1,216,309	-
Blood Diseases and Resources Research	DP2HL141005	93.839	581,335	-
Subtotal - Blood Diseases and Resources Research			<u>1,797,644</u>	<u>-</u>
Diabetes, Digestive, and Kidney Diseases Extramural Research	R01DK105154	93.847	(2,448)	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	RC2DK114784	93.847	495,870	250,171
Diabetes, Digestive, and Kidney Diseases Extramural Research	UC4DK116255	93.847	28	28
Diabetes, Digestive, and Kidney Diseases Extramural Research	R24DK110499	93.847	1,033,379	775,906
Diabetes, Digestive, and Kidney Diseases Extramural Research	R01DK099465	93.847	229,295	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	U01DK123717	93.847	1,419,234	346,376
Diabetes, Digestive, and Kidney Diseases Extramural Research	UM1DK105554	93.847	4,262,127	1,738,226
Diabetes, Digestive, and Kidney Diseases Extramural Research	R01DK129464	93.847	487,068	170,201
Diabetes, Digestive, and Kidney Diseases Extramural Research	K00DK123834	93.847	20,470	-
Subtotal - Diabetes, Digestive, and Kidney Diseases Extramural Research			<u>7,945,023</u>	<u>3,280,908</u>
Extramural Research Programs in the Neurosciences and Neurological Disorders	R24NS092983	93.853	(51,805)	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	R21NS110355	93.853	104,828	1,956
Extramural Research Programs in the Neurosciences and Neurological Disorders	R61NS119717	93.853	222,938	4,225
Extramural Research Programs in the Neurosciences and Neurological Disorders	K99NS119743	93.853	82,271	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	K99NS125131	93.853	65,494	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	R01NS125255	93.853	316,297	46,030
Extramural Research Programs in the Neurosciences and Neurological Disorders	R03NS123786	93.853	24,790	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	R33NS119717	93.853	240,924	2,577
Subtotal - Extramural Research Programs in the Neurosciences and Neurological Disorders			<u>1,005,737</u>	<u>54,788</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, 2022**

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
<b>Research and Development Cluster</b>				
<b>Department of Health and Human Services</b>				
<b>National Institutes of Health (NIH)</b>				
<b>Direct</b>				
Allergy and Infectious Diseases Research	R01AI132300	93.855	988,721	390,361
Allergy and Infectious Diseases Research	R21AI141080	93.855	78,396	-
Allergy and Infectious Diseases Research	U19AI110818	93.855	4,297,166	494,775
COVID-19 Allergy and Infectious Diseases Research	U19AI110818	93.855	663,102	458,019
Allergy and Infectious Diseases Research	U19AI142780	93.855	6,409,786	3,361,309
COVID-19 Allergy and Infectious Diseases Research	R21AI157835	93.855	218,092	-
Allergy and Infectious Diseases Research	R01AI153405	93.855	586,127	-
Allergy and Infectious Diseases Research	R21AI154099	93.855	74,968	-
Allergy and Infectious Diseases Research	K01AI163498	93.855	130,913	-
COVID-19 Allergy and Infectious Diseases Research	R21AI162662	93.855	210,920	28,123
Allergy and Infectious Diseases Research	R01AI158495	93.855	229,526	-
Subtotal - Allergy and Infectious Diseases Research			<u>13,887,717</u>	<u>4,732,587</u>
Biomedical Research and Research Training	R35GM122547	93.859	471,894	-
Biomedical Research and Research Training	R35GM122455	93.859	949,748	-
Biomedical Research and Research Training	R35GM118062	93.859	447,484	-
Biomedical Research and Research Training	R35GM127045	93.859	602,991	-
Biomedical Research and Research Training	F32GM133089	93.859	64,143	-
Biomedical Research and Research Training	P41GM135019	93.859	861,926	238,958
Biomedical Research and Research Training	R01GM137606	93.859	404,439	1,200
Biomedical Research and Research Training	F32GM143776	93.859	42,539	-
Biomedical Research and Research Training	DP2GM146252	93.859	99,569	-
Biomedical Research and Research Training	DP2GM146245	93.859	375,165	-
Subtotal - Biomedical Research and Research Training			<u>4,319,898</u>	<u>240,158</u>
Child Health and Human Development Extramural Research	U24HD090743	93.865	11,492,379	-
Child Health and Human Development Extramural Research	R01HD101534	93.865	942,258	213,293
Subtotal - Child Health and Human Development Extramural Research			<u>12,434,637</u>	<u>213,293</u>
Aging Research	DP2AG058488	93.866	857,273	-
Aging Research	R21AG068769	93.866	133,895	-
Subtotal - Aging Research			<u>991,168</u>	<u>-</u>
Lung Diseases Research	F32HL154638	93.838	56,420	-
Subtotal - Lung Diseases Research			<u>56,420</u>	<u>-</u>
21st Century Cures Act - Precision Medicine Initiative	OT2OD002750	93.368	69,066,183	853,129
Subtotal - 21st Century Cures Act - Precision Medicine Initiative			<u>69,066,183</u>	<u>853,129</u>
Cancer Research Manpower	F32CA232543	93.398	41,523	-
Cancer Research Manpower	K00CA212229	93.398	95,065	-
Cancer Research Manpower	F32CA247088	93.398	53,501	-
Cancer Research Manpower	F32CA261024	93.398	54,243	-
Cancer Research Manpower	K99CA259511	93.398	46,473	-
Cancer Research Manpower	K99CA263149	93.398	87,124	-
Subtotal - Cancer Research Manpower			<u>377,929</u>	<u>-</u>
NIH National Heart, Lung, and Blood Institute	HHSN268201600034I	93.RD	14,614,748	1,579,195
Subtotal - NIH National Heart, Lung, and Blood Institute Contracts			<u>14,614,748</u>	<u>1,579,195</u>
NIH National Human Genome Institute	HHSN268201600034I	93.RD	916,050	-
Subtotal - NIH National Human Genome Institute Contracts			<u>916,050</u>	<u>-</u>
Subtotal - National Institutes of Health - Direct			<u>187,181,949</u>	<u>20,697,363</u>
<b>Research and Development Cluster</b>				
<b>Department of Health and Human Services</b>				
<b>National Institutes of Health (NIH)</b>				
<b>Pass-through</b>				
Human Genome Research - University of California, Berkeley	00009717	93.172	416,714	-
Human Genome Research - Baylor College of Medicine	7000000566	93.172	19,754	-
Human Genome Research - Redeemer's University	U54HG007480	93.172	109,799	-
Human Genome Research - Brigham & Women's Hospital, Inc.	117565	93.172	79,884	-
Human Genome Research - University of Louisville Research Foundation Inc.	ULRF 17-0906-03	93.172	14,554	-
Human Genome Research - Vanderbilt University Medical Center	VUMC84710	93.172	240,095	-
Human Genome Research - Massachusetts Institute of Technology	S5220, PO# 538182	93.172	104,561	-
Human Genome Research - Dana Farber Cancer Institute	1322902	93.172	172,004	-
Human Genome Research - Massachusetts General Hospital	239109	93.172	99,325	-
Human Genome Research - University of California, San Diego	KR 704782	93.172	375,019	-
Human Genome Research - University of California, Santa Cruz	A22-0049-S001	93.172	225,506	-
Subtotal - Human Genome Research			<u>1,857,215</u>	<u>-</u>
Mental Health Research Grants - Massachusetts General Hospital	228485	93.242	(52)	-
Mental Health Research Grants - Massachusetts Institute of Technology	53993	93.242	78,670	-
Mental Health Research Grants - Cold Spring Harbor Laboratory	64580522/64580526/64580528	93.242	3,480,572	-
Mental Health Research Grants - Allen Institute	2017-0565	93.242	657,170	-
Mental Health Research Grants - Harvard University	164641-5105238	93.242	184,177	-
Mental Health Research Grants - Harvard Medical School	153212.5111092.0502	93.242	271,618	-
Mental Health Research Grants - University of California, San Diego	123556869(S9002406)	93.242	93,227	-
Mental Health Research Grants - University of California, San Diego	123833790	93.242	64,961	-

The accompanying notes are an integral part of this schedule.



**The Broad Institute, Inc.**  
**Schedule of Expenditure of Federal Awards**  
**Year Ended June 30, 2022**

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
<b>Research and Development Cluster</b>				
<b>Department of Health and Human Services</b>				
<b>National Institutes of Health (NIH)</b>				
<b>Pass-through</b>				
Mental Health Research Grants - Brown University	00001548	93.242	(5,282)	-
Mental Health Research Grants - Massachusetts General Hospital	235128	93.242	39,232	-
Mental Health Research Grants - The Research Foundation for The State University of New York	100-1129280-89177	93.242	(12,136)	-
Mental Health Research Grants - The Research Foundation for The State University of New York	100-1163711-89186	93.242	734	-
Mental Health Research Grants - Yale University	CON-80003062 (GR113125)	93.242	1,006	-
Mental Health Research Grants - Rutgers, The State University of New Jersey	2052	93.242	112,423	-
Mental Health Research Grants - University of Pittsburgh	AWD00005397 (137371-1)	93.242	123,341	-
Mental Health Research Grants - Rutgers, The State University of New Jersey	2049	93.242	65,220	-
Mental Health Research Grants - Massachusetts Institute of Technology	S5502 PO#775366	93.242	377,838	-
Mental Health Research Grants - Physical Sciences Inc.	SC 10-16439-108115-46	93.242	20,926	-
Subtotal - Mental Health Research Grants			<u>5,553,645</u>	-
Drug Abuse and Addiction Research Programs - Yale University	GR104821 (CON-80001522)	93.279	209,522	-
Drug Abuse and Addiction Research Programs - University of Maryland, Baltimore	3001100	93.279	319,247	-
Subtotal - Drug Abuse and Addiction Research Programs			<u>528,769</u>	-
Discovery and Applied Research for Technological Innovations to Improve Human Health - Boston University	4500003124	93.286	572,788	-
Subtotal - Discovery and Applied Research for Technological Innovations to Improve Human Health			<u>572,788</u>	-
Trans-NIH Research Support - Vanderbilt University Medical Center	VUMC59306	93.310	6,509,412	-
Trans-NIH Research Support - New York Genome Center	2020-0022_BROAD_01	93.310	(2,059)	-
Trans-NIH Research Support - Vanderbilt University Medical Center	VUMC70571	93.310	1,262,412	-
Trans-NIH Research Support - The Medical College of Wisconsin, Inc.	MCW-Epithelia	93.310	1,192	-
Trans-NIH Research Support - The Medical College of Wisconsin, Inc.	MCW-Reporters	93.310	14,121	-
Trans-NIH Research Support - The Medical College of Wisconsin, Inc.	MCW-Nanoparticles	93.310	21,814	-
Trans-NIH Research Support - Brigham & Women's Hospital, Inc.	122469	93.310	64,673	-
Trans-NIH Research Support - Massachusetts General Hospital	235477	93.310	133,000	-
Trans-NIH Research Support - The Medical College of Wisconsin, Inc.	PO# 6191185 18B	93.310	208,434	-
Trans-NIH Research Support - The Medical College of Wisconsin, Inc.	PO# 6195019 25B	93.310	137,305	-
Trans-NIH Research Support - The Medical College of Wisconsin, Inc.	PO# 6194863 16B	93.310	228,584	-
Trans-NIH Research Support - The Medical College of Wisconsin, Inc.	PO #6217806 - 30A	93.310	56,969	-
Trans-NIH Research Support - Massachusetts Eye and Ear Infirmary	531002	93.310	109,644	-
Trans-NIH Research Support - University of Cape Town	UCT32414	93.310	330,318	-
Subtotal - Trans-NIH Research Support			<u>9,075,819</u>	-
National Center for Advancing Translational Sciences - Massachusetts General Hospital	235429	93.350	27,148	-
Subtotal - National Center for Advancing Translational Sciences			<u>27,148</u>	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Dana Farber Cancer Institute	1195710	93.353	213,139	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Dana Farber Cancer Institute	1250105	93.353	179,918	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Dana Farber Cancer Institute	1206204	93.353	133,199	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Dana Farber Cancer Institute	1206304	93.353	832,476	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Boston University	4500002988	93.353	18,477	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Boston University	4500003042	93.353	131,460	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Dana Farber Cancer Institute	12062403	93.353	16,306	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Dana Farber Cancer Institute	1307003	93.353	207,159	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Dana Farber Cancer Institute	1311403	93.353	113,477	-
21st Century Cures Act - Beau Biden Cancer Moonshot - Massachusetts General Hospital	235667	93.353	46,779	-
Subtotal - 21st Century Cures Act - Beau Biden Cancer Moonshot			<u>1,892,390</u>	-
Nursing Research - Massachusetts General Hospital	233238	93.361	117,618	-
Nursing Research - Beth Israel Deaconess Medical Center, Inc.	01063198	93.361	81,140	-
Subtotal - Nursing Research			<u>198,758</u>	-
Cancer Cause and Prevention Research - Dana Farber Cancer Institute, Inc.	1299905	93.393	28,881	-
Cancer Cause and Prevention Research - Dana Farber Cancer Institute, Inc.	1248003	93.393	1,262	-
Cancer Cause and Prevention Research - Dana Farber Cancer Institute, Inc.	1217709	93.393	520,655	-
Cancer Cause and Prevention Research - Massachusetts General Hospital	234469	93.393	173,123	-
Cancer Cause and Prevention Research - Duke University	A032774	93.393	99,262	-
Cancer Cause and Prevention Research - Brigham & Women's Hospital, Inc.	121511	93.393	118,144	-
Subtotal - Cancer Cause and Prevention Research			<u>941,327</u>	-
Cancer Detection and Diagnosis Research - Baylor College of Medicine	700000403	93.394	792,397	-
Subtotal - Cancer Detection and Diagnostic Research			<u>792,397</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, 2022**

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
<b>Research and Development Cluster</b>				
<b>Department of Health and Human Services</b>				
<b>National Institutes of Health (NIH)</b>				
<b>Pass-through</b>				
Cancer Treatment Research - Dana Farber Cancer Institute	1284605	93.395	42,744	-
Cancer Treatment Research - University of Massachusetts, Worcester	OSP2018092	93.395	409,026	-
Cancer Treatment Research - Dana Farber Cancer Institute	1288104	93.395	16,800	-
Cancer Treatment Research - Dana Farber Cancer Institute	1172503	93.395	89,364	-
Cancer Treatment Research - Brigham & Women's Hospital, Inc.	124409	93.395	38,161	-
Cancer Treatment Research - Dana Farber Cancer Institute	1236006	93.395	79,400	-
Cancer Treatment Research - Dana Farber Cancer Institute	1285906	93.395	124,372	-
Cancer Treatment Research - Dana Farber Cancer Institute	1284606	93.395	228,273	-
Subtotal - Cancer Treatment Research			<u>1,028,140</u>	<u>-</u>
Cancer Biology Research - University of California, San Diego	(S9001606) 82780303	93.396	54,153	-
Cancer Biology Research - University of California, San Diego	103441795 (S9001988)	93.396	91,151	-
Cancer Biology Research - University of California, San Diego	703566	93.396	60,313	-
Cancer Biology Research - University of Massachusetts Medical School	SUB00000012	93.396	304,656	-
Cancer Biology Research - University of California, San Diego	KR 704687	93.396	247,696	-
Subtotal - Cancer Biology Research			<u>757,969</u>	<u>-</u>
Cancer Centers Support Grants - Dana Farber Cancer Institute, Inc.	1132213	93.397	58,571	-
Cancer Centers Support Grants - Dana Farber Cancer Institute, Inc.	1316202	93.397	65,147	-
Subtotal - Cancer Centers Support Grants			<u>123,718</u>	<u>-</u>
Cardiovascular Diseases Research -				
Massachusetts General Hospital	230189	93.837	679	-
Cardiovascular Diseases Research -				
University of Illinois	16791	93.837	9,687	-
Cardiovascular Diseases Research -				
University of California, Santa Cruz	A18-0757-S001-P0654931	93.837	1,323,317	-
Cardiovascular Diseases Research -				
Harvard School of Public Health	111260-5104996	93.837	142,327	-
Cardiovascular Diseases Research -				
Massachusetts General Hospital	234357	93.837	69,594	-
Cardiovascular Diseases Research -				
Massachusetts General Hospital	231873	93.837	720,108	-
Cardiovascular Diseases Research -				
University of Washington	UWSC11248	93.837	130,077	-
Cardiovascular Diseases Research -				
Massachusetts General Hospital	236185	93.837	78,271	-
Cardiovascular Diseases Research -				
Massachusetts General Hospital	237407	93.837	1,215,837	-
Cardiovascular Diseases Research -				
The Washington University	WU-21-0507	93.837	(1,348)	-
Cardiovascular Diseases Research -				
University of Minnesota	P008292507	93.837	34,799	-
Cardiovascular Diseases Research -				
Brigham & Women's Hospital, Inc.	125858	93.837	26,381	-
Cardiovascular Diseases Research -				
Boston University	4500004030	93.837	27,780	-
Cardiovascular Diseases Research -				
Washington University	WU-22-0413-MOD-1	93.837	34,449	-
Cardiovascular Diseases Research -				
Fred Hutchinson Cancer Center	0001110225	93.837	13,814	-
Cardiovascular Diseases Research -				
Vanderbilt University Medical Center	VUMC99728	93.837	4,257	-
Cardiovascular Diseases Research -				
Harvard School of Public Health	111345-5120260	93.837	5,260	-
Subtotal - Cardiovascular Diseases Research			<u>3,835,289</u>	<u>-</u>
Lung Diseases Research -				
Cincinnati Children's Hospital Medical Center	311013	93.838	162,216	-
Lung Diseases Research -				
University of Iowa	S02133-01	93.838	156,455	-
Lung Diseases Research -				
Brigham & Women's Hospital, Inc.	125925	93.838	5,992	-
Subtotal - Lung Diseases Research			<u>324,663</u>	<u>-</u>
Blood Diseases and Resources Research -				
The Feinstein Institutes for Medical Research	AWD00001008- Broad	93.839	35,659	-
Blood Diseases and Resources Research -				
Dana Farber Cancer Institute	1169216	93.839	339,324	-
Blood Diseases and Resources Research -				
Fred Hutchinson Cancer Research Center	0001084200	93.839	67,058	-
Blood Diseases and Resources Research -				
St. Jude Children's Research Hospital	112815020-8084924	93.839	196,929	-
Blood Diseases and Resources Research -				
Fred Hutchinson Cancer Research Center	0001068638	93.839	112,471	-
Blood Diseases and Resources Research -				
Fred Hutchinson Cancer Research Center	0001125390	93.839	136,147	-
Blood Diseases and Resources Research -				
Boston Children's Hospital	GENFD0002069383	93.839	132,273	-

The accompanying notes are an integral part of this schedule.

**The Broad Institute, Inc.**  
**Schedule of Expenditure of Federal Awards**  
**Year Ended June 30, 2022**

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
<b>Research and Development Cluster</b>				
<b>Department of Health and Human Services</b>				
<b>National Institutes of Health (NIH)</b>				
<b>Pass-through</b>				
Blood Diseases and Resources Research - Fred Hutchinson Cancer Center	0001110290	93.839	11,120	-
Subtotal - Blood Diseases and Resources Research			<u>1,030,981</u>	<u>-</u>
Arthritis, Musculoskeletal and Skin Diseases Research - Feinstein Institute for Medical Research	500678-Broad	93.846	287,622	-
Arthritis, Musculoskeletal and Skin Diseases Research - Brigham & Women's Hospital, Inc.	111565	93.846	34,391	-
Arthritis, Musculoskeletal and Skin Diseases Research - Hebrew Rehabilitation Center	90094	93.846	5,952	-
Subtotal - Arthritis, Musculoskeletal and Skin Diseases Research			<u>327,965</u>	<u>-</u>
Diabetes, Digestive, and Kidney Diseases Extramural Research - Massachusetts General Hospital	226082	93.847	(2)	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - University of Michigan	3004659528	93.847	103,204	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Boston Children's Hospital	GENFD0002165113	93.847	206,840	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Massachusetts General Hospital	231096	93.847	42,719	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Beth Israel Deaconess Medical Center, Inc.	01060496	93.847	230,102	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Harvard Medical School	153277.5107749.0003	93.847	255,064	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - University of Chicago	FP068366-01A (5302858601-5)	93.847	297,017	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Massachusetts General Hospital	233311	93.847	311,687	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Beth Israel Deaconess Medical Center, Inc.	01061307	93.847	34,357	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Albert Einstein College	311433	93.847	195,538	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Boston Children's Hospital	PO#GENFD0002024873	93.847	6,759	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Baylor College of Medicine	7000001188	93.847	36,399	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - The Washington University	WU-21-12-MOD-2	93.847	246,960	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - The Washington University	WU-21-155-MOD-1	93.847	117,910	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Massachusetts General Hospital	236801	93.847	679	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - University of North Carolina	5121607	93.847	440,815	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - University of Washington	UWSC12163	93.847	(2,921)	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Boston Children's Hospital	GENFD0002024456	93.847	275,728	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Massachusetts General Hospital	238171	93.847	31,206	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Massachusetts General Hospital	238642	93.847	154,760	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Tulane University	TUL-HSC-556925-20/21	93.847	267,016	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Harvard School of Public Health	111327-5116526	93.847	208,761	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Beth Israel Deaconess Medical Center, Inc.	01062791	93.847	84,835	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Harvard School of Public Health	111330-5118517	93.847	78,994	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Beth Israel Deaconess Medical Center, Inc.	01063766	93.847	80,583	-
Diabetes, Digestive, and Kidney Diseases Extramural Research - Massachusetts General Hospital	239459	93.847	114,970	-
Subtotal - Diabetes, Digestive, and Kidney Diseases Extramural Research			<u>3,819,980</u>	<u>-</u>
Extramural Research Programs in the Neurosciences and Neurological Disorders - Northwestern University	60051734 BI	93.853	57,769	-
Extramural Research Programs in the Neurosciences and Neurological Disorders - Northwestern University	60051733 BI	93.853	352,895	-
Extramural Research Programs in the Neurosciences and Neurological Disorders - Massachusetts General Hospital	232364	93.853	1,134,963	-

The accompanying notes are an integral part of this schedule.

**The Broad Institute, Inc.**  
**Schedule of Expenditure of Federal Awards**  
**Year Ended June 30, 2022**

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
<b>Research and Development Cluster</b>				
<b>Department of Health and Human Services</b>				
<b>National Institutes of Health (NIH)</b>				
<b>Pass-through</b>				
Extramural Research Programs in the Neurosciences and Neurological Disorders - Massachusetts General Hospital	231500	93.853	151,428	-
Extramural Research Programs in the Neurosciences and Neurological Disorders - Yale University	GR105126 (CON-80001623)	93.853	427,430	-
Extramural Research Programs in the Neurosciences and Neurological Disorders - Massachusetts General Hospital	235828	93.853	83,423	-
Extramural Research Programs in the Neurosciences and Neurological Disorders - Massachusetts General Hospital	232201	93.853	32,208	-
Extramural Research Programs in the Neurosciences and Neurological Disorders - Cleveland Clinic Lerner College of Medicine/CWRU	CCF21368367	93.853	15,072	-
Subtotal - Extramural Research Programs in the Neurosciences and Neurological Disorders			<u>2,255,188</u>	<u>-</u>
Allergy and Infectious Diseases Research - Harvard School of Public Health	109724-5092640	93.855	1,753	-
Allergy and Infectious Diseases Research - Brigham & Women's Hospital, Inc.	112673	93.855	(105)	-
Allergy and Infectious Diseases Research - Brigham & Women's Hospital, Inc.	116146	93.855	21,052	-
Allergy and Infectious Diseases Research - Yale University	GR111745 (CON-80002837)	93.855	70,406	-
Allergy and Infectious Diseases Research - Harvard Medical School	152414.5103475.0502	93.855	128,490	-
Allergy and Infectious Diseases Research - Harvard Medical School	152416.5102753.0019	93.855	150,512	-
Allergy and Infectious Diseases Research - Harvard Medical School	152414.5103477.0504	93.855	223,974	-
Allergy and Infectious Diseases Research - Harvard Medical School	152414.5103479.0503	93.855	214,480	-
Allergy and Infectious Diseases Research - University of Pittsburgh	CNVA00059942 (131616-1)	93.855	92,877	-
Allergy and Infectious Diseases Research - Icahn School of Medicine at Mount Sinai	0255-B131-4609	93.855	3,447	-
Allergy and Infectious Diseases Research - The University of Texas Southwestern Medical Center	GMO 190409 PO# 000001720C	93.855	837,739	-
Allergy and Infectious Diseases Research - Massachusetts General Hospital	234208	93.855	(9,986)	-
Allergy and Infectious Diseases Research - Massachusetts General Hospital	234444	93.855	91,956	-
Allergy and Infectious Diseases Research - Radboud University Medical Center	S18-0053-1	93.855	210,045	-
Allergy and Infectious Diseases Research - Beth Israel Deaconess Medical Center, Inc.	01063563	93.855	250,660	-
Allergy and Infectious Diseases Research - Emory University	A675056	93.855	250,204	-
Allergy and Infectious Diseases Research - The Washington University	WU-20-380-MOD-2	93.855	19,600	-
Allergy and Infectious Diseases Research - University of Tennessee	22-3454	93.855	76,408	-
Allergy and Infectious Diseases Research - Health Research, Inc.	6551-01	93.855	42,067	-
Allergy and Infectious Diseases Research - Scripps Research Institute	5-54784	93.855	424,729	-
Allergy and Infectious Diseases Research - Health Research, Inc.	6525-01	93.855	111,999	-
Allergy and Infectious Diseases Research - The Feinstein Institutes for Medical Research	AWD00001284-Broad	93.855	68,293	-
COVID-19 - Allergy and Infectious Diseases Research - Massachusetts General Hospital	236831	93.855	82,548	-
Allergy and Infectious Diseases Research - Massachusetts General Hospital	238436	93.855	581,163	-
Allergy and Infectious Diseases Research - The Washington University	WU-21-328-MOD-1	93.855	1,405	-
Allergy and Infectious Diseases Research - Brigham & Women's Hospital, Inc.	125670	93.855	331,196	-
Allergy and Infectious Diseases Research - Brigham & Women's Hospital, Inc.	125673	93.855	37,789	-
Allergy and Infectious Diseases Research - Beth Israel Deaconess Medical Center, Inc.	01063388	93.855	83,035	-
Allergy and Infectious Diseases Research - Duke University	A035369	93.855	67,021	-
Allergy and Infectious Diseases Research - Radboud University Medical Center	S21-0267-1	93.855	6,802	-
Subtotal - Allergy and Infectious Diseases Research			<u>4,471,559</u>	<u>-</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, 2022**

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
<b>Research and Development Cluster</b>				
<b>Department of Health and Human Services</b>				
<b>National Institutes of Health (NIH)</b>				
<b>Pass-through</b>				
Biomedical Research and Research Training - Harvard University	164629-5100328	93.859	442,374	-
Subtotal - Biomedical Research and Research Training			<u>442,374</u>	<u>-</u>
Child Health and Human Development Extramural Research - Massachusetts General Hospital	225991	93.865	24,704	-
Child Health and Human Development Extramural Research - Harvard Pilgrim Health Care, Inc.	PH000681D	93.865	40,456	-
Child Health and Human Development Extramural Research - Massachusetts General Hospital	233278	93.865	403,331	-
Child Health and Human Development Extramural Research - Cincinnati Children's Hospital Medical Center	304848	93.865	17,810	-
Child Health and Human Development Extramural Research - Massachusetts General Hospital	239083	93.865	195,711	-
Child Health and Human Development Extramural Research - Massachusetts General Hospital	239749	93.865	90,005	-
Subtotal - Child Health and Human Development Extramural Research			<u>772,017</u>	<u>-</u>
Aging Research - Massachusetts Institute of Technology	232963	93.866	140,237	-
Aging Research - Columbia University	2(GG012083-01)	93.866	106,862	-
Aging Research - Columbia University	4(GG012046)	93.866	66,200	-
Aging Research - Massachusetts General Hospital	231823	93.866	109,708	-
Aging Research - Massachusetts General Hospital	234056	93.866	181,715	-
Aging Research - Massachusetts Institute of Technology	S5162, PO# 529181	93.866	22,227	-
Subtotal - Aging Research			<u>626,949</u>	<u>-</u>
Vision Research - Boston Children's Hospital	GENFD0001980495	93.867	39,116	-
Vision Research - Massachusetts Eye and Ear Infirmary	530038	93.867	1,621	-
Vision Research - Icahn School of Medicine at Mount Sinai	0255-B321-4609	93.867	63,886	-
Subtotal - Vision Research			<u>104,623</u>	<u>-</u>
NIH National Cancer Institute				
Leidos Biomedical Research, Inc.	16Q042	93.RD	41,148	14,850
Leidos Biomedical Research, Inc.	17X149	93.RD	4,462,354	682,031
Leidos Biomedical Research, Inc.	17X149-Q2	93.RD	(273,120)	(430,933)
Leidos Biomedical Research, Inc.	17X149Q8	93.RD	46,901	-
Leidos Biomedical Research, Inc.	17X149F13	93.RD	2,000	-
Subtotal - NIH National Cancer Institute Contracts			<u>4,279,283</u>	<u>265,948</u>
Total - National Institutes of Health - Pass-through			<u>45,640,954</u>	<u>265,948</u>
Subtotal - National Institutes of Health			<u>232,822,903</u>	<u>20,963,311</u>
<b>Research and Development Cluster</b>				
<b>Department of Health and Human Services</b>				
<b>Centers for Disease Control and Prevention</b>				
<b>Direct</b>				
Centers for Disease Control and Prevention	75D30120C09605	93.RD	1,008,178	347,573
Centers for Disease Control and Prevention	20IPA2009929	93.RD	19,592	-
Subtotal - Centers for Disease Control and Prevention			<u>1,027,770</u>	<u>347,573</u>
Subtotal - Department of Health and Human Services				
Centers for Disease Control and Prevention - Direct			<u>1,027,770</u>	<u>347,573</u>
<b>Centers for Disease Control and Prevention</b>				
<b>Pass-through</b>				
Prevention of Disease, Disability, and Death by Infectious Diseases - Massachusetts General Hospital	231295	93.084	78,965	-
Prevention of Disease, Disability, and Death by Infectious Diseases - Massachusetts General Hospital	239665	93.084	6,186	-
Subtotal - Prevention of Disease, Disability, and Death by Infectious Diseases			<u>85,151</u>	<u>-</u>
Subtotal - Centers for Disease Control and Prevention - Indirect			<u>85,151</u>	<u>-</u>
Subtotal - Department of Health and Human Services			<u>1,112,921</u>	<u>347,573</u>
<b>Food and Drug Administration</b>				
<b>Direct</b>				
Food and Drug Administration	HHSF223201810172C	93.RD	314,668	-
Subtotal - Food and Drug Administration			<u>314,668</u>	<u>-</u>
Subtotal - Department of Health and Human Services			<u>314,668</u>	<u>-</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, 2022

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
<b>Research and Development Cluster</b>				
<b>Department of Health and Human Services</b>				
<b>National Aeronautics and Space Administration</b>				
<b>Direct</b>				
Science -	80NSSC18K1062	43.001	(4,967)	-
Subtotal - Science			(4,967)	-
Subtotal - National Aeronautics and Space Administration - Direct			(4,967)	-
Biological Sciences	2022012	47.074	153,625	-
Biological Sciences	2134695	47.074	79,456	-
Subtotal - Biological Sciences			233,081	-
Education and Human Resources	2100959	47.076	21,528	-
Subtotal - Education and Human Resources			21,528	-
Subtotal - National Science Foundation			254,609	-
<b>Department of Defense</b>				
<b>Direct</b>				
Military Medical Research and Development	W81XWH-20-1-0325	12.420	97,997	-
Subtotal - Military Medical Research and Development			97,997	-
Research and Technology Development	N660011724055	12.910	138,293	-
Research and Technology Development	D18AC00006	12.910	(26,780)	-
COVID-19 - Research and Technology Development	D18AC00006	12.910	(65,252)	(43,521)
Research and Technology Development	N660011824502	12.910	598,629	-
Research and Technology Development	HR00112120010	12.910	5,538,373	478,495
Subtotal - Research and Technology Development			6,183,263	434,974
Subtotal - Department of Defense - Direct			6,281,260	434,974
<b>Department of Defense</b>				
<b>Pass-through</b>				
Military Medical Research and Development - Harvard School of Public Health	111266-5107791	12.420	4,089	-
Military Medical Research and Development - Dana Farber Cancer Institute, Inc.	3086401	12.420	47,824	-
Military Medical Research and Development - Dana Farber Cancer Institute, Inc.	3089102	12.420	13,899	-
Subtotal - Military Medical Research and Development			65,812	-
Research and Technology Development				
Massachusetts Institute of Technology	S4599-004	12.910	(1,367)	-
Subtotal - Research and Technology Development			(1,367)	-
Subtotal - Department of Defense - Pass-through			64,445	-
Subtotal - Department of Defense			6,345,705	434,974
<b>United States Agency for International Development</b>				
<b>Pass-through</b>				
USAID Foreign Assistance for Programs Overseas - Tufts University	AI9023	98.001	294,595	-
Subtotal - United States Agency for International Development			294,595	-
<b>Office of the Director of National Intelligence</b>				
<b>Direct</b>				
Intelligence Advanced Research Projects Activity	2019-19081900002	93.RD	5,240,727	2,173,020
Subtotal - Intelligence Advanced Research Projects Activity			5,240,727	2,173,020
Subtotal - Office of the Director of National Intelligence - Direct			5,240,727	2,173,020
Total Research and Development Cluster			13,558,258	2,955,567
Total Expenditures of Federal Awards			<b>\$ 246,381,161</b>	<b>\$ 23,918,878</b>

The accompanying notes are an integral part of this schedule.

**The Broad Institute, Inc.**  
**Note to Schedule of Expenditures of Federal Awards**  
**June 30, 2022**

---

**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 consolidated statement of financial position as of June 30, 2022 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 October 27, 2022.

**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 Institute's consolidated 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 may exist that have not been 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 consolidated 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  
October 27, 2022



## **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, 2022. 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, 2022.

#### ***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  
October 27, 2022

## **Part III – Findings and Questioned Costs**

**The Broad Institute, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2022**

---

**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:

Assistance Listing Number	Name of Federal Program or Cluster
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, 2022**

---

**Section II – Financial Statement Findings**

None noted.



**The Broad Institute, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2022**

---

**Section III - Federal Award Findings and Questioned Costs**

None noted.

## **Part IV – Summary Schedule of Prior Audit Findings and Status**

**The Broad Institute, Inc.**  
**Summary Schedule of Prior Audit Findings and Status**  
**Year Ended June 30, 2022**

---

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