

# Van Andel Institute and Affiliates

Consolidated Financial Statements and Supplemental  
Consolidating Schedules as of and for the Years  
Ended November 30, 2023 and 2022, Schedule of  
Expenditures of Federal Awards and Schedule of  
Findings and Questioned Costs for the Year Ended  
November 30, 2023, and Independent Auditor's  
Report

# VAN ANDEL INSTITUTE AND AFFILIATES

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## Independent Auditor's Report

To the Board of Trustees  
Van Andel Institute and Affiliates

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

#### **Opinion**

We have audited the consolidated financial statements of Van Andel Institute and Affiliates (the "VAIA"), which comprise the consolidated statements of financial position as of November 30, 2023 and 2022 and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

#### **Basis for Opinion**

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

#### **Emphasis of Matter**

As described in Note 2, the consolidated financial statements include investments valued at \$1,074,315 (49 percent of net assets) and \$996,615 (49 percent of net assets) as of November 30, 2023 and 2022, respectively, whose fair values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or the general partners. Our opinion is not modified with respect to this matter.

#### **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 VAIA's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

To the Board of Trustees  
Van Andel Institute and Affiliates

### ***Auditor's Responsibilities for the Audits 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 auditor's 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 audits conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 VAIA'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 VAIA'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

### ***Other Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise Van Andel Institute and Affiliates' consolidated financial statements. The schedule of expenditures of federal awards is presented for the purpose 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* (the "Uniform Guidance"), and is not a required part of the consolidated financial statements.

The accompanying schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

To the Board of Trustees  
Van Andel Institute and Affiliates

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024 on our consideration of Van Andel Institute and Affiliates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Van Andel Institute and Affiliates' 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 Van Andel Institute and Affiliates' internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

March 25, 2024

# VAN ANDEL INSTITUTE AND AFFILIATES

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF NOVEMBER 30, 2023 AND 2022 (IN THOUSANDS)

| <b>ASSETS</b>  | <b>2023</b>         | <b>2022</b>         |
|--|---------------------|---------------------|
| <b>CURRENT ASSETS:</b>   |                     |                     |
| Cash and cash equivalents                                      | \$ 343,660          | \$ 470,647          |
| Investments  | 7,593               | 18,205              |
| Pledges receivable   | 329                 | 198                 |
| Grant and contract receivables                                 | 4,932               | 4,565               |
| Interest and other receivables                                 | 5,238               | 2,632               |
| Prepaid expenses and other current assets                      | 2,834               | 2,344               |
|  | <u>364,586</u>      | <u>498,591</u>      |
| <b>LONG-TERM ASSETS:</b>                                       |                     |                     |
| Investments  | 1,632,371           | 1,597,558           |
| Long-term investments pledged under security lending agreement | 29,821              | 20,156              |
| Funds pledged to creditor                                      | -                   | 5,000               |
| Property and equipment—net of accumulated depreciation         | 180,070             | 175,045             |
| Pledges receivable   | 610                 | 18                  |
| Notes and other receivables                                    | 92                  | 537                 |
| Other assets   | 1,225               | 1,025               |
|  | <u>1,844,189</u>    | <u>1,799,339</u>    |
| <b>TOTAL</b>   | <u>\$ 2,208,775</u> | <u>\$ 2,297,930</u> |
| <b>LIABILITIES AND NET ASSETS</b>                              |                     |                     |
| <b>CURRENT LIABILITIES:</b>                                    |                     |                     |
| Accounts payable   | \$ 3,792            | \$ 4,107            |
| Investments payable  | 54                  | 43                  |
| Interest payable   | -                   | 728                 |
| Deferred revenue   | 1,722               | 1,165               |
| Accrued expenses and other liabilities                         | 10,072              | 10,607              |
|  | <u>15,640</u>       | <u>16,650</u>       |
| <b>LONG-TERM LIABILITIES:</b>                                  |                     |                     |
| Long-term debt   | -                   | 219,704             |
| Interest rate swap   | -                   | 23,674              |
| Accrued expenses and other liabilities                         | -                   | 34                  |
|  | <u>-</u>            | <u>243,412</u>      |
| <b>Total liabilities</b>                                       | <u>15,640</u>       | <u>260,062</u>      |
| <b>NET ASSETS:</b>   |                     |                     |
| Net assets without donor restrictions                          | 1,416,892           | 1,263,623           |
| Net assets with donor restrictions                             | 776,243             | 774,245             |
|  | <u>2,193,135</u>    | <u>2,037,868</u>    |
| <b>TOTAL</b>   | <u>\$ 2,208,775</u> | <u>\$ 2,297,930</u> |

See notes to consolidated financial statements.

## VAN ANDEL INSTITUTE AND AFFILIATES

### CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR YEARS ENDED NOVEMBER 30, 2023 AND 2022 (IN THOUSANDS)

|  | 2023                                  |                                    |              | 2022                                  |                                    |              |
|--|---------------------------------------|------------------------------------|--------------|---------------------------------------|------------------------------------|--------------|
|  | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total        | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total        |
| REVENUES AND SUPPORT:  |                                       |                                    |              |                                       |                                    |              |
| Contributions  | \$ 102,376                            | \$ 13,161                          | \$ 115,537   | \$ 87,026                             | \$ 1,822                           | \$ 88,848    |
| Grant and contract revenue                                       | 37,874                                | -                                  | 37,874       | 35,020                                | -                                  | 35,020       |
| Investment return utilized                                       | 288,914                               | 5,655                              | 294,569      | 100,262                               | 3,798                              | 104,060      |
| Other revenues   | 1,839                                 | -                                  | 1,839        | 2,405                                 | -                                  | 2,405        |
| Total revenues   | 431,003                               | 18,816                             | 449,819      | 224,713                               | 5,620                              | 230,333      |
| Net assets transferred or released from restrictions:            |                                       |                                    |              |                                       |                                    |              |
| Satisfaction of time or purpose restrictions                     | 12,176                                | (12,176)                           | -            | 1,403                                 | (1,403)                            | -            |
| Dividends and interest earnings                                  | 951                                   | (951)                              | -            | 904                                   | (904)                              | -            |
| Gain on investments  | 4,704                                 | (4,704)                            | -            | 2,894                                 | (2,894)                            | -            |
| Total net assets transferred or released from restrictions       | 17,831                                | (17,831)                           | -            | 5,201                                 | (5,201)                            | -            |
| Total revenues and support                                       | 448,834                               | 985                                | 449,819      | 229,914                               | 419                                | 230,333      |
| EXPENSES:  |                                       |                                    |              |                                       |                                    |              |
| Program  | 76,855                                | -                                  | 76,855       | 81,883                                | -                                  | 81,883       |
| Management and general   | 35,056                                | -                                  | 35,056       | 32,033                                | -                                  | 32,033       |
| Fundraising  | 3,677                                 | -                                  | 3,677        | 3,427                                 | -                                  | 3,427        |
| Total expenses   | 115,588                               | -                                  | 115,588      | 117,343                               | -                                  | 117,343      |
| (Gain) loss on interest rate swap                                | 3,139                                 | -                                  | 3,139        | (68,910)                              | -                                  | (68,910)     |
| Total expenses and loss on interest rate swap                    | 118,727                               | -                                  | 118,727      | 48,433                                | -                                  | 48,433       |
| CHANGE IN NET ASSETS BEFORE OTHER CHANGES AND INCOME TAX EXPENSE | 330,107                               | 985                                | 331,092      | 181,481                               | 419                                | 181,900      |
| OTHER CHANGES IN NET ASSETS:                                     |                                       |                                    |              |                                       |                                    |              |
| Investment return excluding amount utilized                      | (176,788)                             | 1,013                              | (175,775)    | (115,116)                             | (4,836)                            | (119,952)    |
| INCOME TAX EXPENSE   | (50)                                  | -                                  | (50)         | (1,737)                               | -                                  | (1,737)      |
| CHANGE IN NET ASSETS   | 153,269                               | 1,998                              | 155,267      | 64,628                                | (4,417)                            | 60,211       |
| NET ASSETS—Beginning of year                                     | 1,263,623                             | 774,245                            | 2,037,868    | 1,198,995                             | 778,662                            | 1,977,657    |
| NET ASSETS—End of year   | \$ 1,416,892                          | \$ 776,243                         | \$ 2,193,135 | \$ 1,263,623                          | \$ 774,245                         | \$ 2,037,868 |

See notes to consolidated financial statements.

# VAN ANDEL INSTITUTE AND AFFILIATES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022 (IN THOUSANDS)

|  |                   |                    |
|--|-------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:  |                   |                    |
| Changes in net assets  | \$ 155,267        | \$ 60,211          |
| Adjustments to reconcile increase in net assets to cash and cash equivalents used in operating activities: |                   |                    |
| Depreciation and amortization  | 13,059            | 11,864             |
| Permanently restricted contribution  | (1)               | (26)               |
| (Gain) loss on interest rate swap  | 3,139             | (68,910)           |
| (Gain) loss on investments   | (90,224)          | 35,964             |
| (Gain) loss on sale of equipment   | (29)              | 26                 |
| Contribution of investments  | (23,437)          | -                  |
| Changes in operating assets and liabilities:   |                   |                    |
| Grant and contract receivables   | (367)             | (208)              |
| Deferred revenue   | 557               | (961)              |
| Accrued expenses and other liabilities   | (1,298)           | (76)               |
| Other  | (3,890)           | 1,606              |
| Net cash and cash equivalents provided by operating activities   | <u>52,776</u>     | <u>39,490</u>      |
| CASH FLOWS FROM INVESTING ACTIVITIES:  |                   |                    |
| Payments to acquire property and equipment   | (17,834)          | (10,284)           |
| Proceeds from sale of equipment  | 75                | -                  |
| Purchase of investments  | (1,323,465)       | (1,951,305)        |
| Proceeds from sale of investments  | 1,403,273         | 1,962,159          |
| Payments on interest rate swap   | (26,813)          | -                  |
| Payments of swap collateral  | -                 | (35,470)           |
| Proceeds from swap collateral  | 5,000             | 99,750             |
| Net cash and cash equivalents provided by investing activities   | <u>40,236</u>     | <u>64,850</u>      |
| CASH FLOWS FROM FINANCING ACTIVITIES:  |                   |                    |
| Permanently restricted contribution  | 1                 | 26                 |
| Bond issuance cost   | -                 | -                  |
| Proceeds from debt   | -                 | -                  |
| Payments on debt   | (220,000)         | -                  |
| Net cash and cash equivalents used in financing activities   | <u>(219,999)</u>  | <u>26</u>          |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS   | (126,987)         | 104,366            |
| CASH AND CASH EQUIVALENTS—Beginning of year  | <u>470,647</u>    | <u>366,281</u>     |
| CASH AND CASH EQUIVALENTS—End of year  | <u>\$ 343,660</u> | <u>\$ 470,647</u>  |
| SUPPLEMENTAL NONCASH ACTIVITIES:   |                   |                    |
| Change in collateral pledged under securities lending agreement  | \$ 9,665          | \$ (58,860)        |
| Change in investments acquired but not settled   | 11                | (19,629)           |
| TOTAL SUPPLEMENTAL NONCASH ACTIVITIES  | <u>\$ 9,676</u>   | <u>\$ (78,489)</u> |
| SUPPLEMENTAL CASH FLOW INFORMATION:  |                   |                    |
| Cash paid during the year for interest   | \$ 1,574          | \$ 8,773           |
| Cash paid during the year for income taxes   | 50                | 1,749              |

See notes to consolidated financial statements.



# VAN ANDEL INSTITUTE AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022 (IN THOUSANDS)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization and Tax Status**—Van Andel Institute and Affiliates (VAIA) consists of the following entities: Van Andel Institute (VAI), Van Andel Research Institute (VARI), and Van Andel Education Institute (VAEI). VAI is organized and operated for the benefit of, to perform the functions of, or to carry out the purposes of one or both of VARI, a Michigan charitable trust organized and operated as a medical research organization, and VAEI, a Michigan charitable trust organized and operated as an educational organization.

VAI has been recognized by the Internal Revenue Service (IRS) as exempt from federal income tax under Section 501(a) of the Internal Revenue Code (the “Code”) as a not-for-profit organization and public charity as described in Sections 501(c)(3) and 509(a)(3) of the Code, respectively. In order for VAI to retain its public charity status, it must make certain minimum distributions annually to both VARI and VAEI. These annual distribution requirements have been satisfied for the years ended November 30, 2023 and 2022.

VARI, a Michigan charitable trust, has been recognized as a medical research organization described in the Code Section 170(b)(1)(A)(iii), operating as a supported entity in connection with VAI. Since its inception, VARI has been recognized by the IRS as exempt from federal income taxes under Section 501(a) as a result of being organized and operated as an organization described in Section 501(c)(3). In order for VARI to retain its public charity status as a medical research organization, it must meet certain minimum asset usage and expenditure requirements. These requirements have been satisfied for the years ended November 30, 2023 and 2022.

VAEI, a Michigan charitable trust, has been recognized as an educational organization described in the Code Section 170(b)(1)(A)(ii), operating as a supported entity in connection with VAI. VAEI has been recognized by the IRS as exempt from federal income taxes under Section 501(a) as a result of being organized and operated as an organization described in Section 501(c)(3). In order for VAEI to retain its public charity status, it must maintain certain spending requirements. These spending requirements have been satisfied for the years ended November 30, 2023 and 2022.

VAEI’s principal operations include the operation of the Van Andel Institute Graduate School and the Science Academy.

**Principles of Consolidation**—The consolidated financial statements include VAI and its wholly owned and related affiliates. All significant intercompany accounts and transactions have been eliminated in consolidation. Investments in affiliated companies that are owned 50% or less are accounted for under the applicable cost or equity method, based on significant influence over operations.

**Basis of Financial Presentation**—The accompanying consolidated financial statements are prepared on the accrual basis and in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Use of Estimates**—The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**—Cash and cash equivalents are any short-term, highly liquid investments that are both readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value due to changes in interest rates. These include cash on deposit with banks, money market accounts, certificates of deposit, and highly liquid investments with an original maturity of six months or less, excluding amounts whose use is limited under contractual and donor agreements. VAIA has cash deposits that are uninsured by the FDIC. VAIA has evaluated the financial institutions with which it deposits funds; however, it may not be practical to insure all cash deposits.

**Investments**—Investments include bonds and equities with readily determinable market values, which are carried at fair value based on quoted market prices for those or similar investments. Hedge funds, real estate, private equity, other types of limited partnerships and non-publicly traded investments are carried at estimated fair market value based on the net asset value (NAV) of the fund. Management reviews such valuations for appropriateness. Net realized and unrealized gains and losses are included in investment return utilized and investment return excluding amount utilized in the consolidated statements of activities and changes in net assets.

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

Investments are routinely reviewed for other-than-temporary declines in fair value below the cost basis, and when events or changes in circumstances indicate the carrying value of an asset may not be recoverable, the security is written down to fair value, establishing a new cost basis.

**Securities Lending**—VAI participates in a securities lending program with its custodian bank. Under the terms of its securities lending agreement, VAI requires initial collateral of a value at least equal to 102% of the fair value of loaned investments. All cash collateral received is invested in approved money market and short-term funds. Effective control is maintained of the loaned investments during the term of the agreement. At November 30, 2023, VAI had loaned securities with a total market value of \$29,821 and received related cash collateral of \$0 and noncash collateral of \$30,779. At November 30, 2022, VAI had loaned securities with a total market value of \$20,156 and received related cash collateral of \$0 and noncash collateral of \$20,274.

**Property and Equipment**—Property and equipment purchased are stated at cost. Contributed property is stated at estimated fair value on the date of contribution. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets, as follows: building, 39 years; improvements, seven to 15 years; leasehold improvements, the shorter of remaining life of lease or estimated useful life of the improvement; furniture and equipment, five to seven years; computer hardware and software, three years; vehicle, five years; intangible assets with finite lives, seven years; and artwork and intangible assets with infinite lives are considered inexhaustible and, therefore, are not depreciated. Maintenance and repairs are charged to operating expenses as incurred.

**Long-lived Asset Impairment**—Long-lived assets are reviewed for impairment when events or changes in business conditions indicate that their carrying values may not be recoverable. Assets are considered impaired and are adjusted to fair value for significant adverse changes in physical condition. No long-lived assets were impaired as of November 30, 2023 and 2022.

**Derivative and Hedging Activities**—The derivative instrument is an interest rate swap and is recognized as a liability within the consolidated statements of financial position and measured at fair value in accordance with ASC 815, *Derivatives and Hedging*. Changes in fair value of derivative instruments are recognized in the consolidated statements of activities and changes in net assets.

**Deferred Revenue**—Deferred revenue represents funds received from grants for which expenses have not been incurred, the unamortized portion of licensing agreement receipts, and ticket and sponsorship revenue for future events yet to be earned.

**Pledges Receivable**—Pledges receivable represent amounts committed by donors that have not been received. An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collectible. As of November 30, 2023, and 2022, no allowance has been established, as all amounts are considered fully collectible.

**Net Assets**—Resources are classified for accounting and reporting purposes into one of two net asset classes, determined based on the existence or absence of donor-imposed restrictions.

- a. Net assets with donor restrictions result from contributions whose use is limited by donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met by actions of VAIA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.
- b. Net assets without donor restrictions result from all other activities not classified as restricted.

Net assets are reclassified when contributed assets have been expended in accordance with the donor's stipulations or when the passage of time causes amounts to be available for current purposes. Accordingly, certain assets were released from donor restrictions due to spending in accordance with the donor's stipulation or the passage of time.

**Revenues and Support**—Revenues and support are recognized when contributions, including unconditional promises to give, are received. Grant and contract revenue consist of funding from various governmental and private institutions, including federal grants from the National Institutes of Health, and are recognized when expenses are incurred or in accordance with contract agreements. All grant and contract revenues were granted for specific research and educational activities. Other revenue consists of facility rent, fees for research services to third parties, and program revenue for education. Other revenue is recognized when the service is provided. In accordance with Accounting Standards Update (ASU) 2018-08, grants and contracts are accounted for as conditional contributions, being nonexchange in nature, and are recognized as revenue as the qualifying expenses are incurred and in accordance with the contact agreements. The remaining conditional balance of these grants total \$1,722 and \$1,152 as of November 30, 2023 and 2022, respectively.

**Functional Allocation of Expenses**—Costs of providing program and support services have been reported on a functional basis in the consolidated statement of activities and changes in net assets. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses required allocation on a reasonable basis that is consistently applied. Salaries and related expenses are allocated on the basis of time and effort. Depreciation and occupancy expenses are allocated based on square footage. All other expenses are allocated based upon direct identification and utilization. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

**Nonoperating Expenses**—The following activities are presented outside of operations within the statements of activities and changes in net assets: gain (loss) on interest rate swap, investment return (loss) not utilized and income tax expense.

## 2. INVESTMENTS

Short-term investments as of November 30, 2023 and 2022 are summarized as follows:

|              | <b>2023</b>     | <b>2022</b>      |
|--------------|-----------------|------------------|
| Fixed income | <u>\$ 7,593</u> | <u>\$ 18,205</u> |

Long-term investments as of November 30, 2023 and 2022 are summarized as follows:

|   | <b>2023</b>         | <b>2022</b>         |
|---|---------------------|---------------------|
| Fixed income                                      | \$ 162,714          | \$ 201,459          |
| Equities  | 419,702             | 414,157             |
| Alternative investments                           | 1,074,315           | 996,615             |
| Other investments held at lower of cost or market | <u>5,461</u>        | <u>5,483</u>        |
| Total   | <u>\$ 1,662,192</u> | <u>\$ 1,617,714</u> |

Certain investments are held in foreign currencies. The translation from the applicable foreign currencies to U.S. dollars is performed using current exchange rates in effect at November 30, 2023 and 2022. Gains or losses resulting from foreign currency translation and transactions are reflected in the consolidated statements of activities and changes in net assets. Approximately \$71,100 and \$50,200 were held in foreign currency and were subject to such foreign exchange risk as of November 30, 2023 and 2022, respectively.

Investments in futures contracts are recorded on the trade date and open contracts are stated in the consolidated financial statements at their fair value on the last business day of the reporting period, based on quoted market prices. Accordingly, such contracts are classified as Level 1 fair value estimates under the fair value hierarchy as described within ASC Topic 820, *Fair Value Measurements and Disclosures*. Gains or losses are realized when contracts are liquidated, on a first-in-first-out basis. Both realized and unrealized gains are presented net of losses for financial reporting purposes. Interest income is recognized on an accrual basis.

During 2023 and 2022, VAI executed investment transactions utilizing acquisition indebtedness through a brokerage and clearing firm. Securities purchased under the terms of this agreement are subject to certain collateral requirements and VAI is required to maintain equity in its account equal to the value of securities borrowed prior to any market value declines. VAI was compliant with all collateral requirements at November 30, 2023 and 2022.

Investments payable on the consolidated statement of financial position represents amounts due for pending unsettled securities transactions and short-term futures positions with a negative market value.

Net assets with donor restrictions of \$776,243 and \$774,245 are included in cash and cash equivalents, investments, and long-term investments pledged under securities lending agreement as of November 30, 2023 and 2022, respectively.

### **3. FAIR VALUE MEASUREMENTS**

VAIA follows guidance included in ASC 820, which defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The fair value hierarchy is as follows:

*Level 1*—Observable, quoted (unadjusted) prices for identical assets or liabilities in active markets.

*Level 2*—Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.)
- Inputs other than quoted prices that are observable for the asset or liability (interest rates, yield curves, volatilities, default rates, etc.)
- Inputs that are derived principally from or corroborated by other observable market data

*Level 3*—Unobservable inputs that cannot be corroborated by observable market data. These should be based on the best information available. The organization should utilize all reasonably available information but need not incur excessive cost or effort to do so.

Information about the fair value of VAIA's financial instruments as of November 30, 2023 and 2022, according to the valuation techniques of VAIA used to determine their values, is as follows:

| Description                      | Level 1—<br>Quoted Prices<br>in Active<br>Markets for<br>Identical Assets | Level 2—<br>Significant<br>Other<br>Observable<br>Inputs | Level 3—<br>Significant<br>Other<br>Unobservable<br>Inputs | Net Asset<br>Value  | Total—<br>November 30,<br>2023 |
|----------------------------------|---|--|--|---------------------|--------------------------------|
| Cash equivalents                 | \$ 342,402  | \$ -   | \$ -   | \$ -                | \$ 342,402                     |
| Mutual funds                     | -   | -  | -  | -                   | -                              |
| Exchange-traded funds - Equities | 10,696  | -  | -  | -                   | 10,696                         |
| Asset-backed securities:         |   |  |  |                     |                                |
| Commercial mortgage backed       | -   | 4,178  | -  | -                   | 4,178                          |
| Nongovernment-backed C.M.O.      | -   | 4,624  | -  | -                   | 4,624                          |
| Other                            | -   | 25,446   | -  | -                   | 25,446                         |
| Corporate bonds                  | -   | 74,090   | -  | -                   | 74,090                         |
| Government-issued securities:    |   |  |  |                     |                                |
| Government bonds                 | -   | 14,909   | -  | -                   | 14,909                         |
| Government M.B.S.                | -   | 43,487   | -  | -                   | 43,487                         |
| Other                            | -   | 3,573  | -  | -                   | 3,573                          |
| Common stock - Domestic          | 409,006   | -  | -  | -                   | 409,006                        |
| Alternative investments:         |   |  |  |                     |                                |
| Real estate                      | -   | -  | -  | 57,659              | 57,659                         |
| Private equity                   | -   | -  | -  | 532,220             | 532,220                        |
| Hedge funds:                     |   |  |  |                     |                                |
| Long/short                       | -   | -  | -  | 174,078             | 174,078                        |
| Absolute return                  | -   | -  | -  | 280,834             | 280,834                        |
| Credit manager                   | -   | -  | -  | 29,524              | 29,524                         |
|                                  | <u>762,104</u>  | <u>170,307</u>   | <u>-</u>   | <u>1,074,315</u>    | <u>2,006,726</u>               |
| Interest rate swap               | -   | -  | -  | -                   | -                              |
| Total                            | <u>\$ 762,104</u>   | <u>\$ 170,307</u>  | <u>\$ -</u>  | <u>\$ 1,074,315</u> | <u>\$ 2,006,726</u>            |

| Description                      | Level 1—<br>Quoted Prices<br>in Active<br>Markets for<br>Identical Assets | Level 2—<br>Significant<br>Other<br>Observable<br>Inputs | Level 3—<br>Significant<br>Other<br>Unobservable<br>Inputs | Net Asset<br>Value | Total—<br>November 30,<br>2022 |
|----------------------------------|---|--|--|--------------------|--------------------------------|
| Cash equivalents                 | \$ 470,338  | \$ -   | \$ -   | \$ -               | \$ 470,338                     |
| Mutual funds                     | 20,981  | -  | -  | -                  | 20,981                         |
| Exchange-traded funds - Equities | 26,993  | -  | -  | -                  | 26,993                         |
| Asset-backed securities:         |   |  |  |                    |                                |
| Commercial mortgage backed       | -   | 10,969   | -  | -                  | 10,969                         |
| Nongovernment-backed C.M.O.      | -   | 1,301  | -  | -                  | 1,301                          |
| Other                            | -   | 30,859   | -  | -                  | 30,859                         |
| Corporate bonds                  | -   | 64,809   | -  | -                  | 64,809                         |
| Government-issued securities:    |   |  |  |                    |                                |
| Government bonds                 | -   | 9,540  | -  | -                  | 9,540                          |
| Government M.B.S.                | -   | 48,911   | -  | -                  | 48,911                         |
| Other                            | -   | 12,352   | -  | -                  | 12,352                         |
| Common stock - Domestic          | 406,665   | -  | -  | -                  | 406,665                        |
| Alternative investments:         |   |  |  |                    |                                |
| Real estate                      | -   | -  | -  | 46,161             | 46,161                         |
| Private equity                   | -   | -  | -  | 488,552            | 488,552                        |
| Hedge funds:                     |   |  |  |                    |                                |
| Long/short                       | -   | -  | -  | 144,387            | 144,387                        |
| Absolute return                  | -   | -  | -  | 290,688            | 290,688                        |
| Credit manager                   | -   | -  | -  | 26,827             | 26,827                         |
|                                  | <u>924,977</u>  | <u>178,741</u>   | <u>-</u>   | <u>996,615</u>     | <u>2,100,333</u>               |
| Interest rate swap               | -   | (23,674)   | -  | -                  | (23,674)                       |
| Total                            | <u>\$ 924,977</u>   | <u>\$ 155,067</u>  | <u>\$ -</u>  | <u>\$ 996,615</u>  | <u>\$ 2,076,659</u>            |

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

*Cash Equivalents*—VAIA’s cash equivalents consist of money market funds and certificates of deposit.

*Mutual Funds, Exchange Traded Funds, Fixed-Income Securities, and Common Stock*—Fair values of these securities are based on quoted market prices, where available. VAI obtains one price for each security, primarily from a third-party pricing service, which generally uses Level 1 or Level 2 inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical (Level 1) or similar securities (Level 2), making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, nonbinding broker quotes, benchmark yields, credit spreads, default rates, and prepayment spreads. VAI performs monthly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value.

*Interest Rate Swap*— The interest rate swap held as of November 30, 2022 was valued as a fixed/float swap product within Bank of America / Merrill Lynch. The fixed leg is calculated by the coupon rate set at the time of the agreement, 3.4811 percent. The floating leg relates to future changes in interest rates using the US Libor rate index. Floating rates include several risk statistics such as modified duration, convexity, and basis point value. The swap risk statistics are based on the risk statistics for the individual legs of the swap. The interest rate swap was terminated during fiscal year 2023 (see Note 6).

*Alternative Investments*—Alternative investments are recorded at NAV reported by the respective general partners of the partnerships, which VAI has concluded approximate fair value. Assets in hedge funds are redeemable at NAV under the original terms of the agreements. However, it is possible that these redemption rights may be restricted or eliminated by the partnerships in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by the partnerships, changes in market conditions and the economic environment may significantly impact the NAV of the partnerships and, consequently, the fair value of VAI’s interests in the partnerships. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported NAV. It is, therefore, reasonably possible that if VAI were to sell these investments in the secondary market, a buyer may require a discount to the reported NAV, and the discount could be significant.

VAI has commitments of approximately \$245,123 and \$203,604 to fund various investor groups in non-publicly traded entities as of November 30, 2023 and 2022, respectively. The commitments are callable at any time. The private equity funds have restrictions on the removal of capital investments. These restrictions could prevent the removal of capital for up to 13 years from the initial date of the investment.

The fair value and equity measurements in alternative investments calculated using a NAV (or its equivalent) with redemption restrictions are as follows:

|                          | Fair Value<br>2023 | Fair Value<br>2022 | Unfunded<br>Commitments | Redemption<br>Frequency | Redemption<br>Notice Period |
|--------------------------|--------------------|--------------------|-------------------------|-------------------------|-----------------------------|
| 1. Long/short hedge      | \$ 174,078         | \$ 144,387         | None                    | Quarterly               | 0–90 days                   |
| 2. Absolute return hedge | 280,834            | 290,688            | None                    | Quarterly               | 0–90 days                   |
| 3. Credit manager hedge  | 29,524             | 26,827             | None                    | Quarterly               | 0-90 days                   |
| 4. Private equity        | 532,220            | 488,552            | 245,123                 | n/a                     | n/a                         |
| 5. Real estate           | 57,659             | 46,161             | None                    | Quarterly               | 90 days                     |

1. Long/short hedge includes investments in hedge funds that seek to diversify risks and improve risk adjusted returns. The funds invest in public equities, fixed income, and distressed debt and look to hedge various company, sector, market, and macro-specific risk factors. They can profit from increases or decreases in the public securities in which they are invested.

2. Absolute return hedge includes investments in hedge funds that seek to diversify risks and improve risk adjusted returns. The funds invest in diversified strategies, including event-driven, macro, arbitrage, commodity, equity, and fixed-income strategies using qualitative and quantitative risk controls.

3. Credit manager hedge includes investments in hedge funds that seek attractive total returns from income and price appreciation by investing in a globally diversified portfolio of multi-currency debt issued by corporations, non-government issuers and government issuers.

4. Private equity includes investments in various partnership funds that specialize in large- and middle-market buyouts, secondary private equity transactions, venture capital, distressed debt, litigation financing, and natural resources.

5. Real estate includes investments in private real estate. These funds invest directly in residential, office, industrial, retail, and lodging real estate. There are also investments in public mortgage-backed securities.

#### 4. PLEDGED ASSETS

VARI is no longer subject to collateral posting obligations as required under the terms of the interest rate swap agreement described in Note 6. Collateral was required to be posted equal to the excess of the fair market value of the swap net of the then-prevailing collateral threshold. The prevailing collateral threshold was dependent upon VAI's cash-to-debt ratio as defined in the agreement, ranging from less than 1.2 to 1.7 and above. Acceptable collateral included cash and cash equivalents and certain investment securities as defined in the agreement.

At November 30, 2023 and 2022, certain investment securities and cash with a carrying value of approximately \$0 and \$5,000 were pledged as collateral.

#### 5. PROPERTY AND EQUIPMENT

Property and equipment as of November 30, 2023 and 2022 are summarized as follows:

|                                | <b>2023</b>       | <b>2022</b>       |
|--------------------------------|-------------------|-------------------|
| Building and improvements      | \$ 247,108        | \$ 239,392        |
| Furniture and equipment        | 64,586            | 59,886            |
| Land and improvements          | 11,930            | 11,854            |
| Computer hardware and software | 16,829            | 11,294            |
| Artwork                        | 435               | 435               |
| Intangibles                    | 214               | 214               |
| Leasehold improvements         | 1,338             | 1,338             |
| Vehicles                       | 66                | 66                |
| Construction in progress       | <u>1,509</u>      | <u>4,550</u>      |
| Total property and equipment   | 344,015           | 329,029           |
| Accumulated depreciation       | <u>(163,945)</u>  | <u>(153,984)</u>  |
| Property and equipment—Net     | <u>\$ 180,070</u> | <u>\$ 175,045</u> |

Depreciation expense was \$12,763 and \$11,851 in 2023 and 2022, respectively.



## 6. INTEREST RATE SWAP

On May 1, 2008, VARI entered into an interest rate swap agreement to hedge exposure to interest rate risk. The notional amount of the swap totaled \$220,000. As of November 15, 2018, the agreement was amended and extended from May 1, 2023 to May 1, 2038. Under the amended agreement, on a monthly basis, VARI paid a fixed rate of 3.48% and received a floating rate equal to 80% of one-month London InterBank Offered Rate (LIBOR). VARI swap obligations were guaranteed by VAI.

On December 14, 2022, VARI paid \$26,976 to terminate the interest rate swap in accordance with the terms of the agreement, including \$26,813 reflecting the then current value of the remaining swap obligation and \$163 for non-interest transaction costs.

VARI recognized a net loss of \$3,139 in 2023 and a net gain of \$68,910 in 2022 related to the interest rate swap as reflected in the consolidated statements of activities and changes in net assets. The estimated fair value of the swap is included in long-term liabilities in the consolidated statements of financial position. Amounts paid on the swap are included in interest expense.

## 7. LONG-TERM DEBT

On December 28, 2022, VARI paid in full all outstanding amounts pertaining to the Reissued Series 2013A Bond, including loan principal totaling \$110,000 and outstanding interest totaling \$312.

On January 3, 2023, VARI paid in full all outstanding amounts pertaining to the Reissued Series 2013B Bond, including loan principal totaling \$110,000 and outstanding interest totaling \$360.

## 8. INCOME TAXES

Due to charitable contribution carryforwards, a deferred tax liability and a deferred tax asset have been recorded as of November 30, 2023 and 2022. A valuation allowance has been recorded to reflect the estimated portion of charitable contribution carryforwards that will likely not be utilized. The charitable contribution carryforwards expire at various intervals between 2024 and 2028.

Income tax expense for the years ended November 30, 2023 and 2022 consists of current tax expense of \$50 and \$1,737, respectively.

Deferred tax assets and liabilities resulting from temporary differences as of November 30, 2023 and 2022 are as follows:

|                                       | <b>2023</b>      | <b>2022</b>      |
|---------------------------------------|------------------|------------------|
| Charitable contribution carryforwards | \$ 231,508       | \$ 158,877       |
| Valuation allowance                   | <u>(231,508)</u> | <u>(158,877)</u> |
| Deferred tax liability                | <u>\$ -</u>      | <u>\$ -</u>      |

VAI and VARI file unrelated business income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The three-year statute of limitations remains open for the tax years ended November 30, 2020, November 30, 2021 and November 30, 2022. For VAI, the statute of limitations for tax years ended November 30, 2011, November 30, 2012 and November 30, 2013 had been extended to December 31, 2023.

## 9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of November 30, 2023 and 2022 are available for the following purposes:

|   | 2023                   |                        |                   |
|---|------------------------|------------------------|-------------------|
|   | Temporarily Restricted | Permanently Restricted | Total             |
| Cardiovascular research                           | \$ 152                 | \$ -                   | \$ 152            |
| Education   | 280                    | 400                    | 680               |
| Epigenetics research                              | 1                      | -                      | 1                 |
| General and other cancer research                 | 1,374                  | 103                    | 1,477             |
| General and other neurological disorders research | 8,364                  | 54,503                 | 62,867            |
| Metabolism research                               | 2,410                  | 49,867                 | 52,277            |
| Other research and education                      | 753                    | 655,635                | 656,388           |
| Time restricted                                   | 1,531                  | -                      | 1,531             |
| Women's health research                           | 870                    | -                      | 870               |
|   | <u>\$ 15,735</u>       | <u>\$ 760,508</u>      | <u>\$ 776,243</u> |

|   | 2022                   |                        |                   |
|---|------------------------|------------------------|-------------------|
|   | Temporarily Restricted | Permanently Restricted | Total             |
| Cardiovascular research                           | \$ 286                 | \$ -                   | \$ 286            |
| Education   | 254                    | 400                    | 654               |
| Epigenetics research                              | 1                      | -                      | 1                 |
| General and other cancer research                 | 1,104                  | 102                    | 1,206             |
| General and other neurological disorders research | 6,591                  | 54,503                 | 61,094            |
| Metabolism research                               | 2,838                  | 49,866                 | 52,704            |
| Other research and education                      | 700                    | 655,634                | 656,334           |
| Time restricted                                   | 872                    | -                      | 872               |
| Women's health research                           | 1,094                  | -                      | 1,094             |
|   | <u>\$ 13,740</u>       | <u>\$ 760,505</u>      | <u>\$ 774,245</u> |

## 10. RETIREMENT SAVINGS AND INCENTIVE PLAN

VARI sponsors a 401(k) defined-contribution retirement savings plan covering substantially all employees of VARI and VAEI. The plan matches employee contributions up to 5% of the employee's annual compensation subject to certain eligibility criteria as stated in the plan document. Discretionary contributions may also be made to the plan. Employer contributions totaled approximately \$4,473 and \$3,848 for the years ended November 30, 2023 and 2022, respectively.

## 11. ENDOWMENT FUNDS

VAI's endowment consists of individual funds established for a variety of purposes, including donor-designated endowment funds and funds designated by the Board of Trustees to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**—VAI is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Trustees appropriates such amounts for expenditures. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. When reviewing its donor-restricted endowment funds, VAI considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of the initial and subsequent gift amounts donated to the fund, and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. VAI has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under this law. Additionally, in accordance with SPMIFA, VAI considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

- i. The duration and preservation of the fund
- ii. The purposes of the organization and the donor-restricted endowment fund
- iii. General economic conditions
- iv. The possible effect of inflation and deflation
- v. The expected total return from income and the appreciation of investments
- vi. Other resources of the organization
- vii. The investment policies of the organization

Endowment net asset composition by type of fund as of November 30, 2023 and 2022 are as follows:

|                                   | <b>2023</b>                                      |   |                     |
|-----------------------------------|--|---|---------------------|
|                                   | <b>Net Assets Without<br/>Donor Restrictions</b> | <b>Net Assets With Donor<br/>Restrictions</b> | <b>Total</b>        |
| Donor-restricted endowment corpus | \$ -   | \$ 760,508                                    | \$ 760,508          |
| Board-designated endowment corpus | 1,239,993  | -   | 1,239,993           |
| Accumulated investment gains      | -  | 8,761   | 8,761               |
| Total                             | <u>\$ 1,239,993</u>                              | <u>\$ 769,269</u>                             | <u>\$ 2,009,262</u> |
|                                   | <b>2022</b>                                      |   |                     |
|                                   | <b>Net Assets Without<br/>Donor Restrictions</b> | <b>Net Assets With Donor<br/>Restrictions</b> | <b>Total</b>        |
| Donor-restricted endowment corpus | \$ -   | \$ 760,505                                    | \$ 760,505          |
| Board-designated endowment corpus | 1,333,028  | -   | 1,333,028           |
| Accumulated investment gains      | -  | 7,758   | 7,758               |
| Total                             | <u>\$ 1,333,028</u>                              | <u>\$ 768,263</u>                             | <u>\$ 2,101,291</u> |

Changes in endowment net assets for the years ended November 30, 2023 and 2022 are as follows:

|   | <b>2023</b>                                      |   |                     |
|---|--|---|---------------------|
|   | <b>Net Assets Without<br/>Donor Restrictions</b> | <b>Net Assets With<br/>Donor Restrictions</b> | <b>Total</b>        |
| Endowment net assets—beginning of year            | \$ 1,333,028                                     | \$ 768,263                                    | \$ 2,101,291        |
| Investment return:                                |  |   |                     |
| Investment income                                 | 29,260   | 959   | 30,219              |
| Net appreciation (realized and unrealized)        | <u>82,759</u>                                    | <u>5,702</u>                                  | <u>88,461</u>       |
| Total investment return                           | 112,019  | 6,661   | 118,680             |
| Swap collateral borrowings                        | -  | -   |                     |
| Contributions                                     | 109,899  | 1   | 109,900             |
| Appropriation of endowment assets for expenditure | <u>(314,953)</u>                                 | <u>(5,656)</u>                                | <u>(320,609)</u>    |
| Endowment net assets—end of year                  | <u>\$ 1,239,993</u>                              | <u>\$ 769,269</u>                             | <u>\$ 2,009,262</u> |

|   | <b>2022</b>                                      |   |                     |
|---|--|---|---------------------|
|   | <b>Net Assets Without<br/>Donor Restrictions</b> | <b>Net Assets With<br/>Donor Restrictions</b> | <b>Total</b>        |
| Endowment net assets—beginning of year            | \$ 1,287,814                                     | \$ 773,049                                    | \$ 2,060,863        |
| Investment return:                                |  |   |                     |
| Investment income                                 | 24,106   | 912   | 25,018              |
| Net appreciation (realized and unrealized)        | <u>(43,481)</u>                                  | <u>(1,949)</u>                                | <u>(45,430)</u>     |
| Total investment return                           | (19,375)   | (1,037)                                       | (20,412)            |
| Swap collateral borrowings                        | 64,470   | -   | 64,470              |
| Contributions                                     | 84,850   | 49  | 84,899              |
| Appropriation of endowment assets for expenditure | <u>(84,731)</u>                                  | <u>(3,798)</u>                                | <u>(88,529)</u>     |
| Endowment net assets—end of year                  | <u>\$ 1,333,028</u>                              | <u>\$ 768,263</u>                             | <u>\$ 2,101,291</u> |

**Funds with Deficiencies**—From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires VAI to retain as a fund of perpetual duration. There were no such deficiencies at VAI as of November 30, 2023 and 2022.

**Endowment Investment Policy**—VAI’s endowment mandate is to support the core research and education missions of VARI and VAEI by supplying a steady source of income for each of their respective operating budgets.

VAI’s primary investment goal is to preserve purchasing power of future endowment payouts and to the extent this is achieved, cause the principal to grow in value over time.

Other VAI goals include maximizing return within reasonable and prudent levels of risk and maximizing the value of the endowment while maintaining necessary liquidity to support spending in prolonged down markets.

Key responsibilities in the oversight and management of the VAI endowment are as follows:

- a. The Board of Trustees has established a Finance Committee (the “Committee”), charged with oversight responsibility for the management of investments on behalf of the trustees. Their responsibilities include approval of investment policies, oversight of the investment management process, and approving endowment payout.
- b. The Committee has delegated to the chief financial officer and investment office responsibility for all investment matters, including the implementation of investment policies established by the Committee.

VAI’s investment risk is managed consistent with levels deemed prudent and reasonable given medium- to long-term capital market conditions and the investment objectives of the endowment. Consistent with modern portfolio theory, risk cannot be eliminated, but should be managed and fiduciaries have the obligation to utilize risk efficiently. Risk exposures are identified, measured, monitored, and tied to responsible parties. Risk is taken consistent with return expectations.

**Investment Objectives and Risk Parameters**—VAI’s performance objectives are established for the total endowment, asset class composites, and individual manager portfolios. VAI’s investment strategy has been developed in the context of long-term capital market expectations, as well as multi-year projections of spending and inflation. Investment objectives and strategies emphasize a long-term outlook and interim performance fluctuations are viewed with corresponding perspective.

There are four principal factors that affect the VAI endowment fund’s financial status:

1. Contributions from donors
2. Annual payout
3. Biomedical research inflation
4. Investment performance

Risk tolerance takes all four factors into account. At certain asset levels and a given spending policy, it is possible that investment returns may not support desired spending goals. If this occurs, the spending policy will be revised downward, contributions will have to increase, or risk tolerance changed. Rates of return will be calculated based on a time-weighted rate of return formula and will be reported net of all fees and costs.

Overall, VAI endowment performance is measured relative to policy benchmarks. Total endowment return is expected to match or exceed the total endowment-weighted benchmark return, net of all fees and expenses, on a consistent basis over time.

**Spending Policy**—VAI has a policy of appropriating for distribution 4% - 7% of its endowment in any given fiscal year depending upon operating requirements. In establishing this policy, VAI considered the long-term expected rate of return on its endowment. Accordingly, over the long term, VAI expects the current spending policy to allow its endowment to grow nominally at a targeted rate of 3.5% annually.

## 12. INVESTMENT RETURN UTILIZED

Investment return utilized includes amounts appropriated from donor-restricted endowment funds and investment return on individual endowment funds as reported in Note 11. The following tables summarize total investment return for the years ended November 30, 2023 and 2022:

|  | 2023                        |                                       |              |
|--|-----------------------------|---------------------------------------|--------------|
|  | Net Assets<br>Without Donor | Net Assets With<br>Donor Restrictions | Total        |
| Interest and dividends on investments            | \$ 29,281                   | \$ 959                                | \$ 30,240    |
| Net appreciation of investments                  | 82,845                      | 5,709                                 | 88,554       |
| Total investment gain                            | 112,126                     | 6,668                                 | 118,794      |
| Investment return utilized                       | (288,914)                   | (5,655)                               | (294,569)    |
| Investment loss / gain including amount utilized | \$ (176,788)                | \$ 1,013                              | \$ (175,775) |

  

|   | 2022                        |                                       |              |
|---|-----------------------------|---------------------------------------|--------------|
|   | Net Assets<br>Without Donor | Net Assets With<br>Donor Restrictions | Total        |
| Interest and dividends on investments     | \$ 26,912                   | \$ 911                                | \$ 27,823    |
| Net depreciation of investments           | (41,766)                    | (1,949)                               | (43,715)     |
| Total investment loss                     | (14,854)                    | (1,038)                               | (15,892)     |
| Investment return utilized                | (100,262)                   | (3,798)                               | (104,060)    |
| Investment loss excluding amount utilized | \$ (115,116)                | \$ (4,836)                            | \$ (119,952) |

## 13. LIQUIDITY

VAIA's financial assets available within one year of the statement of financial position for general expenditure at November 30, 2023 and 2022 are as follows:

|  | 2023             | 2022              |
|--|------------------|-------------------|
| Financial assets at year end:  |                  |                   |
| Cash and cash equivalents  | \$ 343,660       | \$ 470,647        |
| Pledges receivable   | 329              | 198               |
| Grant and contract receivables   | 4,932            | 4,565             |
| Interest and other receivables   | 5,238            | 2,632             |
| Investments and funds pledged to creditor  | <u>1,669,785</u> | <u>1,640,919</u>  |
| Total financial assets   | <u>2,023,944</u> | <u>2,118,961</u>  |
| Less amounts not available to be used within one year:                                 |                  |                   |
| Board designated endowment funds   | (1,239,993)      | (1,333,028)       |
| Less Board-designated endowment spending   | 86,701           | 93,312            |
| Net assets with donor restrictions   | <u>(776,243)</u> | <u>(774,245)</u>  |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 94,409</u> | <u>\$ 105,000</u> |

VAIA has a goal to maximize the value of the endowment while maintaining liquidity needed to support spending in prolonged down markets. VAIA's liquidity target is based on six months endowment funded cash needs for operating activities, which are, on average, approximately \$36,730 and \$36,530 at November 30, 2023 and 2022, respectively. VAIA structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, VAIA invests cash in excess of daily requirements in various short-term investments, such as short-term treasury instruments.

VAIA also realizes there could be unanticipated liquidity needs.

Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As described in Note 11, the endowment has a spending rate of 4% - 7% in any given fiscal year depending upon operating requirements.

#### 14. NATURAL CLASSIFICATION

The natural classification of expenses shows expenses by the nature of the expense rather than by functional classification. Total expenses by natural classification for the years ended November 30, 2023 and 2022 are as follows:

|  | <b>2023</b>      |                           |                 |                   |
|--|------------------|---------------------------|-----------------|-------------------|
|  | Program          | Management<br>and General | Fundraising     | Total             |
| Salary and benefits                      | \$ 43,005        | \$ 24,053                 | \$ 1,794        | \$ 68,852         |
| Depreciation                             | 11,138           | 1,625                     | -               | 12,763            |
| Interest                                 | 1,081            | 237                       | -               | 1,318             |
| Materials and supplies                   | 10,496           | 2,679                     | 126             | 13,301            |
| Professional fees                        | 2,262            | 2,891                     | 232             | 5,385             |
| Office and laboratory facilities         | 2,727            | 981                       | 289             | 3,997             |
| Other                                    | 6,146            | 2,590                     | 1,236           | 9,972             |
| Total expenses before income tax expense | 76,855           | 35,056                    | 3,677           | 115,588           |
| Income tax expense                       | -                | 50                        | -               | 50                |
| Total expenses                           | <u>\$ 76,855</u> | <u>\$ 35,106</u>          | <u>\$ 3,677</u> | <u>\$ 115,638</u> |

|  | <b>2022</b>      |                           |                 |                   |
|--|------------------|---------------------------|-----------------|-------------------|
|  | Program          | Management<br>and General | Fundraising     | Total             |
| Salary and benefits                      | \$ 40,850        | \$ 18,215                 | \$ 1,810        | \$ 60,875         |
| Depreciation                             | 9,856            | 1,995                     | -               | 11,851            |
| Interest                                 | 6,779            | 1,994                     | -               | 8,773             |
| Materials and supplies                   | 13,223           | 1,902                     | 104             | 15,229            |
| Professional fees                        | 2,311            | 2,425                     | 206             | 4,942             |
| Office and laboratory facilities         | 2,384            | 754                       | 208             | 3,346             |
| Other                                    | 6,480            | 4,748                     | 1,099           | 12,327            |
| Total expenses before income tax expense | 81,883           | 32,033                    | 3,427           | 117,343           |
| Income tax expense                       | -                | 1,737                     | -               | 1,737             |
| Total expenses                           | <u>\$ 81,883</u> | <u>\$ 33,770</u>          | <u>\$ 3,427</u> | <u>\$ 119,080</u> |

## 15. SUBSEQUENT EVENTS

Events or transactions occurring after the statement of net position date have been evaluated through March 25, 2024, the date of the consolidated financial statements were available to be issued. The consolidated financial statements do not reflect events or transactions after this date. All material transactions identified are disclosed below.

\* \* \* \* \*



**SUPPLEMENTAL CONSOLIDATING SCHEDULES**

## Independent Auditor's Report on Supplemental Information

To the Board of Trustees  
Van Andel Institute and Affiliates

We have audited the consolidated financial statements of Van Andel Institute and Affiliates as of and for the years ended November 30, 2023 and 2022 and have issued our report thereon dated March 25, 2024, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating statement of financial position information and consolidating statement of activities and changes in net assets of operations, and cash flows of the individual companies and are not a required part of the consolidated financial statements. Such information are 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Plante & Moran, PLLC*

March 25, 2024

# VAN ANDEL INSTITUTE AND AFFILIATES

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION INFORMATION AS OF NOVEMBER 30, 2023 (IN THOUSANDS)

|  | VAI                 | VARI              | VAEI            | Elimination        | Total               |
|--|---------------------|-------------------|-----------------|--------------------|---------------------|
| <b>ASSETS</b>  |                     |                   |                 |                    |                     |
| CURRENT ASSETS:  |                     |                   |                 |                    |                     |
| Cash and cash equivalents                                      | \$ 342,564          | \$ 1,022          | \$ 74           | \$ -               | \$ 343,660          |
| Investments  | 7,593               | -                 | -               | -                  | 7,593               |
| Pledges receivable   | 79                  | 222               | 28              | -                  | 329                 |
| Grant and contract receivables                                 | -                   | 4,932             | -               | -                  | 4,932               |
| Interest and other receivables                                 | 3,492               | 1,734             | 12              | -                  | 5,238               |
| Related-party receivables                                      | 1,669               | 10,595            | 1,603           | (13,867)           | -                   |
| Prepaid expenses and other current assets                      | -                   | 2,822             | 12              | -                  | 2,834               |
| Total current assets   | <u>355,397</u>      | <u>21,327</u>     | <u>1,729</u>    | <u>(13,867)</u>    | <u>364,586</u>      |
| LONG-TERM ASSETS:  |                     |                   |                 |                    |                     |
| Investments  | 1,621,061           | 6,450             | 4,860           | -                  | 1,632,371           |
| Long-term investments pledged under security lending agreement | 29,821              | -                 | -               | -                  | 29,821              |
| Funds pledged to creditor                                      | -                   | -                 | -               | -                  | -                   |
| Property and equipment—net of accumulated depreciation         | 10,573              | 168,321           | 1,176           | -                  | 180,070             |
| Pledges receivable   | -                   | 610               | -               | -                  | 610                 |
| Notes and other receivables                                    | -                   | 92                | -               | -                  | 92                  |
| Other assets   | 832                 | 393               | -               | -                  | 1,225               |
| Total long-term assets   | <u>1,662,287</u>    | <u>175,866</u>    | <u>6,036</u>    | <u>-</u>           | <u>1,844,189</u>    |
| <b>TOTAL</b>   | <u>\$ 2,017,684</u> | <u>\$ 197,193</u> | <u>\$ 7,765</u> | <u>\$ (13,867)</u> | <u>\$ 2,208,775</u> |
| <b>LIABILITIES AND NET ASSETS (DEFICIT)</b>                    |                     |                   |                 |                    |                     |
| CURRENT LIABILITIES:   |                     |                   |                 |                    |                     |
| Accounts payable   | \$ 88               | \$ 3,679          | \$ 25           | \$ -               | \$ 3,792            |
| Investments payable  | 54                  | -                 | -               | -                  | 54                  |
| Related-party payable  | 7,930               | 3,048             | 2,889           | (13,867)           | -                   |
| Interest payable   | -                   | -                 | -               | -                  | -                   |
| Deferred revenue   | 3                   | 1,490             | 229             | -                  | 1,722               |
| Accrued expenses and other liabilities                         | 1,220               | 8,605             | 247             | -                  | 10,072              |
| Total current liabilities                                      | <u>9,295</u>        | <u>16,822</u>     | <u>3,390</u>    | <u>(13,867)</u>    | <u>15,640</u>       |
| LONG-TERM LIABILITIES:   |                     |                   |                 |                    |                     |
| Long-term debt   | -                   | -                 | -               | -                  | -                   |
| Interest rate swap   | -                   | -                 | -               | -                  | -                   |
| Accrued expenses and other liabilities                         | -                   | -                 | -               | -                  | -                   |
| Total long-term liabilities                                    | <u>-</u>            | <u>-</u>          | <u>-</u>        | <u>-</u>           | <u>-</u>            |
| Total liabilities  | <u>9,295</u>        | <u>16,822</u>     | <u>3,390</u>    | <u>(13,867)</u>    | <u>15,640</u>       |
| NET ASSETS (DEFICIT):  |                     |                   |                 |                    |                     |
| Net assets without donor restrictions                          | 1,239,494           | 173,638           | 3,760           | -                  | 1,416,892           |
| Net assets with donor restrictions                             | 768,895             | 6,733             | 615             | -                  | 776,243             |
| Total net assets (deficit)                                     | <u>2,008,389</u>    | <u>180,371</u>    | <u>4,375</u>    | <u>-</u>           | <u>2,193,135</u>    |
| <b>TOTAL</b>   | <u>\$ 2,017,684</u> | <u>\$ 197,193</u> | <u>\$ 7,765</u> | <u>\$ (13,867)</u> | <u>\$ 2,208,775</u> |

See note to supplemental consolidating schedules.

# VAN ANDEL INSTITUTE AND AFFILIATES

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION INFORMATION AS OF NOVEMBER 30, 2022 (IN THOUSANDS)

|  | VAI                 | VARI              | VAEI            | Elimination        | Total               |
|--|---------------------|-------------------|-----------------|--------------------|---------------------|
| <b>ASSETS</b>  |                     |                   |                 |                    |                     |
| CURRENT ASSETS:  |                     |                   |                 |                    |                     |
| Cash and cash equivalents                                      | \$ 439,087          | \$ 31,471         | \$ 89           | \$ -               | \$ 470,647          |
| Investments  | 18,205              | -                 | -               | -                  | 18,205              |
| Pledges receivable   | 53                  | 105               | 40              | -                  | 198                 |
| Grant and contract receivables                                 | -                   | 4,565             | -               | -                  | 4,565               |
| Interest and other receivables                                 | 1,790               | 842               | -               | -                  | 2,632               |
| Related-party receivables                                      | 5,825               | 5,364             | 369             | (11,558)           | -                   |
| Prepaid expenses and other current assets                      | -                   | 2,334             | 10              | -                  | 2,344               |
| Total current assets   | <u>464,960</u>      | <u>44,681</u>     | <u>508</u>      | <u>(11,558)</u>    | <u>498,591</u>      |
| LONG-TERM ASSETS:  |                     |                   |                 |                    |                     |
| Investments  | 1,586,429           | 6,405             | 4,724           | -                  | 1,597,558           |
| Long-term investments pledged under security lending agreement | 20,156              | -                 | -               | -                  | 20,156              |
| Funds pledged to creditor                                      | -                   | 5,000             | -               | -                  | 5,000               |
| Property and equipment—net of accumulated depreciation         | 10,662              | 163,115           | 1,268           | -                  | 175,045             |
| Pledges receivable   | -                   | 18                | -               | -                  | 18                  |
| Notes and other receivables                                    | -                   | 537               | -               | -                  | 537                 |
| Other assets   | 783                 | 242               | -               | -                  | 1,025               |
| Total long-term assets   | <u>1,618,030</u>    | <u>175,317</u>    | <u>5,992</u>    | <u>-</u>           | <u>1,799,339</u>    |
| TOTAL  | <u>\$ 2,082,990</u> | <u>\$ 219,998</u> | <u>\$ 6,500</u> | <u>\$ (11,558)</u> | <u>\$ 2,297,930</u> |
| <b>LIABILITIES AND NET ASSETS (DEFICIT)</b>                    |                     |                   |                 |                    |                     |
| CURRENT LIABILITIES:   |                     |                   |                 |                    |                     |
| Accounts payable   | \$ 83               | \$ 3,979          | \$ 45           | \$ -               | \$ 4,107            |
| Investments payable  | 43                  | -                 | -               | -                  | 43                  |
| Related-party payable  | 3,960               | 6,193             | 1,405           | (11,558)           | -                   |
| Interest payable   | -                   | 728               | -               | -                  | 728                 |
| Deferred revenue   | 11                  | 884               | 270             | -                  | 1,165               |
| Accrued expenses and other liabilities                         | 965                 | 9,348             | 294             | -                  | 10,607              |
| Total current liabilities                                      | <u>5,062</u>        | <u>21,132</u>     | <u>2,014</u>    | <u>(11,558)</u>    | <u>16,650</u>       |
| LONG-TERM LIABILITIES:   |                     |                   |                 |                    |                     |
| Long-term debt   | -                   | 219,704           | -               | -                  | 219,704             |
| Interest rate swap   | -                   | 23,674            | -               | -                  | 23,674              |
| Accrued expenses and other liabilities                         | 27                  | -                 | 7               | -                  | 34                  |
| Total long-term liabilities                                    | <u>27</u>           | <u>243,378</u>    | <u>7</u>        | <u>-</u>           | <u>243,412</u>      |
| Total liabilities  | <u>5,089</u>        | <u>264,510</u>    | <u>2,021</u>    | <u>(11,558)</u>    | <u>260,062</u>      |
| NET ASSETS (DEFICIT):  |                     |                   |                 |                    |                     |
| Net assets without donor restrictions                          | 1,309,977           | (50,211)          | 3,856           | -                  | 1,263,622           |
| Net assets with donor restrictions                             | 767,924             | 5,699             | 623             | -                  | 774,246             |
| Total net assets (deficit)                                     | <u>2,077,901</u>    | <u>(44,512)</u>   | <u>4,479</u>    | <u>-</u>           | <u>2,037,868</u>    |
| TOTAL  | <u>\$ 2,082,990</u> | <u>\$ 219,998</u> | <u>\$ 6,500</u> | <u>\$ (11,558)</u> | <u>\$ 2,297,930</u> |

See note to supplemental consolidating schedules.

# VAN ANDEL INSTITUTE AND AFFILIATES

## CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS INFORMATION FOR YEAR ENDED NOVEMBER 30, 2023 (IN THOUSANDS)

|  | VAI                                   |                                    |              | VARI                                  |                                    |            |
|--|---------------------------------------|------------------------------------|--------------|---------------------------------------|------------------------------------|------------|
|  | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total        | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total      |
| REVENUES AND SUPPORT:  |                                       |                                    |              |                                       |                                    |            |
| Contributions  | \$ 111,769                            | \$ 24                              | \$ 111,793   | \$ 276,898                            | \$ 13,050                          | \$ 289,948 |
| Grant and contract revenue                                       | -                                     | -                                  | -            | 37,834                                | -                                  | 37,834     |
| Investment return utilized                                       | 288,703                               | 5,655                              | 294,358      | 55                                    | -                                  | 55         |
| Other revenues   | 504                                   | -                                  | 504          | 1,411                                 | -                                  | 1,411      |
| Total revenues   | 400,976                               | 5,679                              | 406,655      | 316,198                               | 13,050                             | 329,248    |
| Net assets transferred or released from restrictions:            |                                       |                                    |              |                                       |                                    |            |
| Satisfaction of time or purpose restrictions                     | -                                     | -                                  | -            | 12,074                                | (12,074)                           | -          |
| Transfers  | -                                     | -                                  | -            | -                                     | 2                                  | 2          |
| Dividends and interest earnings                                  | 951                                   | (951)                              | -            | -                                     | -                                  | -          |
| Gain on investments  | 4,704                                 | (4,704)                            | -            | -                                     | -                                  | -          |
| Total net assets transferred or released from restrictions       | 5,655                                 | (5,655)                            | -            | 12,074                                | (12,072)                           | 2          |
| Total revenues and support                                       | 406,631                               | 24                                 | 406,655      | 328,272                               | 978                                | 329,250    |
| EXPENSES:  |                                       |                                    |              |                                       |                                    |            |
| Program  | 290,988                               | -                                  | 290,988      | 72,610                                | -                                  | 72,610     |
| Management and general   | 6,489                                 | -                                  | 6,489        | 27,688                                | -                                  | 27,688     |
| Fundraising  | 2,684                                 | -                                  | 2,684        | 986                                   | -                                  | 986        |
| Total expenses   | 300,161                               | -                                  | 300,161      | 101,284                               | -                                  | 101,284    |
| Loss on interest rate swap                                       | -                                     | -                                  | -            | 3,139                                 | -                                  | 3,139      |
| Total expenses and loss on interest rate swap                    | 300,161                               | -                                  | 300,161      | 104,423                               | -                                  | 104,423    |
| CHANGE IN NET ASSETS BEFORE OTHER CHANGES AND INCOME TAX EXPENSE | 106,470                               | 24                                 | 106,494      | 223,849                               | 978                                | 224,827    |
| OTHER CHANGES IN NET ASSETS                                      |                                       |                                    |              |                                       |                                    |            |
| Investment return excluding amount utilized                      | (176,904)                             | 948                                | (175,956)    | -                                     | 56                                 | 56         |
| INCOME TAX EXPENSE   | (50)                                  | -                                  | (50)         | -                                     | -                                  | -          |
| CHANGE IN NET ASSETS   | (70,484)                              | 972                                | (69,512)     | 223,849                               | 1,034                              | 224,883    |
| NET ASSETS (DEFICIT)—Beginning of year                           | 1,309,978                             | 767,923                            | 2,077,901    | (50,211)                              | 5,699                              | (44,512)   |
| NET ASSETS (DEFICIT)—End of year                                 | \$ 1,239,494                          | \$ 768,895                         | \$ 2,008,389 | \$ 173,638                            | \$ 6,733                           | \$ 180,371 |

See note to supplemental consolidating schedules.

(Continued)

# VAN ANDEL INSTITUTE AND AFFILIATES

## CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS INFORMATION FOR YEAR ENDED NOVEMBER 30, 2023 (IN THOUSANDS)

|  | VAEI                                  |                                    |          | Elimination                           |              | Total                                 |                                    |              |
|--|---------------------------------------|------------------------------------|----------|---------------------------------------|--------------|---------------------------------------|------------------------------------|--------------|
|  | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total    | Net Assets Without Donor Restrictions | Total        | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total        |
| REVENUES AND SUPPORT:                                      |                                       |                                    |          |                                       |              |                                       |                                    |              |
| Contributions  | \$ 4,697                              | \$ 87                              | \$ 4,784 | \$ (290,988)                          | \$ (290,988) | \$ 102,376                            | \$ 13,161                          | \$ 115,537   |
| Grant and contract revenue                                 | 40                                    | -                                  | 40       | -                                     | -            | 37,874                                | -                                  | 37,874       |
| Investment return utilized                                 | 156                                   | -                                  | 156      | -                                     | -            | 288,914                               | 5,655                              | 294,569      |
| Other revenues   | 1,319                                 | -                                  | 1,319    | (1,395)                               | (1,395)      | 1,839                                 | -                                  | 1,839        |
| Total revenues   | 6,212                                 | 87                                 | 6,299    | (292,383)                             | (292,383)    | 431,003                               | 18,816                             | 449,819      |
| Net assets transferred or released from restrictions:      |                                       |                                    |          |                                       |              |                                       |                                    |              |
| Satisfaction of time or purpose restrictions               | 102                                   | (102)                              | -        | -                                     | -            | 12,176                                | (12,176)                           | -            |
| Transfers  | -                                     | (2)                                | (2)      | -                                     | -            | -                                     | -                                  | -            |
| Dividends and interest earnings                            | -                                     | -                                  | -        | -                                     | -            | 951                                   | (951)                              | -            |
| Gain on investments  | -                                     | -                                  | -        | -                                     | -            | 4,704                                 | (4,704)                            | -            |
| Total net assets transferred or released from restrictions | 102                                   | (104)                              | (2)      | -                                     | -            | 17,831                                | (17,831)                           | -            |
| Total revenues and support                                 | 6,314                                 | (17)                               | 6,297    | (292,383)                             | (292,383)    | 448,834                               | 985                                | 449,819      |
| EXPENSES:  |                                       |                                    |          |                                       |              |                                       |                                    |              |
| Program  | 5,475                                 | -                                  | 5,475    | (292,218)                             | (292,218)    | 76,855                                | -                                  | 76,855       |
| Management and general                                     | 1,044                                 | -                                  | 1,044    | (165)                                 | (165)        | 35,056                                | -                                  | 35,056       |
| Fundraising  | 7                                     | -                                  | 7        | -                                     | -            | 3,677                                 | -                                  | 3,677        |
| Total expenses   | 6,526                                 | -                                  | 6,526    | (292,383)                             | (292,383)    | 115,588                               | -                                  | 115,588      |
| Loss on interest rate swap                                 | -                                     | -                                  | -        | -                                     | -            | 3,139                                 | -                                  | 3,139        |
| Total expenses and loss on interest rate swap              | 6,526                                 | -                                  | 6,526    | (292,383)                             | (292,383)    | 118,727                               | -                                  | 118,727      |
| CHANGE IN NET ASSETS OTHER CHANGES AND INCOME TAX EXPENSE  | (212)                                 | (17)                               | (229)    | -                                     | -            | 330,107                               | 985                                | 331,092      |
| OTHER CHANGES IN NET ASSETS                                |                                       |                                    |          |                                       |              |                                       |                                    |              |
| Investment return excluding amount utilized                | 116                                   | 9                                  | 125      | -                                     | -            | (176,788)                             | 1,013                              | (175,775)    |
| INCOME TAX EXPENSE   | -                                     | -                                  | -        | -                                     | -            | (50)                                  | -                                  | (50)         |
| CHANGE IN NET ASSETS                                       | (96)                                  | (8)                                | (104)    | -                                     | -            | 153,269                               | 1,998                              | 155,267      |
| NET ASSETS (DEFICIT)—Beginning of year                     | 3,856                                 | 623                                | 4,479    | -                                     | -            | 1,263,623                             | 774,245                            | 2,037,868    |
| NET ASSETS (DEFICIT)—End of year                           | \$ 3,760                              | \$ 615                             | \$ 4,375 | \$ -                                  | \$ -         | \$ 1,416,892                          | \$ 776,243                         | \$ 2,193,135 |

See note to supplemental consolidating schedules.

(Concluded)

# VAN ANDEL INSTITUTE AND AFFILIATES

## CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS INFORMATION FOR YEAR ENDED NOVEMBER 30, 2022 (IN THOUSANDS)

|   | VAI                                   |                                    |                     | VARI                                  |                                    |                    |
|---|---------------------------------------|------------------------------------|---------------------|---------------------------------------|------------------------------------|--------------------|
|   | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total               | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total              |
| <b>REVENUES AND SUPPORT:</b>  |                                       |                                    |                     |                                       |                                    |                    |
| Contributions   | \$ 86,561                             | \$ 11                              | \$ 86,572           | \$ 92,958                             | \$ 1,650                           | \$ 94,608          |
| Grant and contract revenue  | -                                     | -                                  | -                   | 34,985                                | -                                  | 34,985             |
| Investment return utilized  | 97,286                                | 3,798                              | 101,084             | 2,808                                 | -                                  | 2,808              |
| Other revenues  | 536                                   | -                                  | 536                 | 1,846                                 | -                                  | 1,846              |
| <b>Total revenues</b>   | <b>184,383</b>                        | <b>3,809</b>                       | <b>188,192</b>      | <b>132,597</b>                        | <b>1,650</b>                       | <b>134,247</b>     |
| <b>Net assets transferred or released from restrictions:</b>            |                                       |                                    |                     |                                       |                                    |                    |
| Satisfaction of time or purpose restrictions                            | -                                     | -                                  | -                   | 1,251                                 | (1,251)                            | -                  |
| Dividends and interest earnings   | 904                                   | (904)                              | -                   | -                                     | -                                  | -                  |
| Gain on investments   | 2,894                                 | (2,894)                            | -                   | -                                     | -                                  | -                  |
| <b>Total net assets transferred or released from restrictions</b>       | <b>3,798</b>                          | <b>(3,798)</b>                     | <b>-</b>            | <b>1,251</b>                          | <b>(1,251)</b>                     | <b>-</b>           |
| <b>Total revenues and support</b>                                       | <b>188,181</b>                        | <b>11</b>                          | <b>188,192</b>      | <b>133,848</b>                        | <b>399</b>                         | <b>134,247</b>     |
| <b>EXPENSES:</b>  |                                       |                                    |                     |                                       |                                    |                    |
| Program   | 97,120                                | -                                  | 97,120              | 77,845                                | -                                  | 77,845             |
| Management and general  | 5,941                                 | -                                  | 5,941               | 25,390                                | -                                  | 25,390             |
| Fundraising   | 2,474                                 | -                                  | 2,474               | 946                                   | -                                  | 946                |
| <b>Total expenses</b>   | <b>105,535</b>                        | <b>-</b>                           | <b>105,535</b>      | <b>104,181</b>                        | <b>-</b>                           | <b>104,181</b>     |
| Gain on interest rate swap  | -                                     | -                                  | -                   | (68,910)                              | -                                  | (68,910)           |
| <b>Total expenses and gain on interest rate swap</b>                    | <b>105,535</b>                        | <b>-</b>                           | <b>105,535</b>      | <b>35,271</b>                         | <b>-</b>                           | <b>35,271</b>      |
| <b>CHANGE IN NET ASSETS BEFORE OTHER CHANGES AND INCOME TAX EXPENSE</b> | <b>82,646</b>                         | <b>11</b>                          | <b>82,657</b>       | <b>98,577</b>                         | <b>399</b>                         | <b>98,976</b>      |
| <b>OTHER CHANGES IN NET ASSETS</b>                                      |                                       |                                    |                     |                                       |                                    |                    |
| Investment return excluding amount utilized                             | (114,906)                             | (4,827)                            | (119,733)           | -                                     | (8)                                | (8)                |
| <b>INCOME TAX EXPENSE</b>   | <b>(1,731)</b>                        | <b>-</b>                           | <b>(1,731)</b>      | <b>(6)</b>                            | <b>-</b>                           | <b>(6)</b>         |
| <b>CHANGE IN NET ASSETS</b>   | <b>(33,991)</b>                       | <b>(4,816)</b>                     | <b>(38,807)</b>     | <b>98,571</b>                         | <b>391</b>                         | <b>98,962</b>      |
| <b>NET ASSETS (DEFICIT)—Beginning of year</b>                           | <b>1,343,968</b>                      | <b>772,740</b>                     | <b>2,116,708</b>    | <b>(148,782)</b>                      | <b>5,308</b>                       | <b>(143,474)</b>   |
| <b>NET ASSETS (DEFICIT)—End of year</b>                                 | <b>\$ 1,309,977</b>                   | <b>\$ 767,924</b>                  | <b>\$ 2,077,901</b> | <b>\$ (50,211)</b>                    | <b>\$ 5,699</b>                    | <b>\$ (44,512)</b> |

See note to supplemental consolidating schedules.

(Continued)

# VAN ANDEL INSTITUTE AND AFFILIATES

## CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS INFORMATION FOR YEAR ENDED NOVEMBER 30, 2022 (IN THOUSANDS)

|  | VAEI                                  |                                    |          | Elimination                           |             | Total                                 |                                    |              |
|--|---------------------------------------|------------------------------------|----------|---------------------------------------|-------------|---------------------------------------|------------------------------------|--------------|
|  | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total    | Net Assets Without Donor Restrictions | Total       | Net Assets Without Donor Restrictions | Net Assets With Donor Restrictions | Total        |
| REVENUES AND SUPPORT:                                      |                                       |                                    |          |                                       |             |                                       |                                    |              |
| Contributions  | \$ 4,627                              | \$ 161                             | \$ 4,788 | \$ (97,120)                           | \$ (97,120) | \$ 87,026                             | \$ 1,822                           | \$ 88,848    |
| Grant and contract revenue                                 | 35                                    | -                                  | 35       | -                                     | -           | 35,020                                | -                                  | 35,020       |
| Investment return utilized                                 | 168                                   | -                                  | 168      | -                                     | -           | 100,262                               | 3,798                              | 104,060      |
| Other revenues   | 1,150                                 | -                                  | 1,150    | (1,127)                               | (1,127)     | 2,405                                 | -                                  | 2,405        |
| Total revenues   | 5,980                                 | 161                                | 6,141    | (98,247)                              | (98,247)    | 224,713                               | 5,620                              | 230,333      |
| Net assets transferred or released from restrictions:      |                                       |                                    |          |                                       |             |                                       |                                    |              |
| Satisfaction of time or purpose restrictions               | 152                                   | (152)                              | -        | -                                     | -           | 1,403                                 | (1,403)                            | -            |
| Dividends and interest earnings                            | -                                     | -                                  | -        | -                                     | -           | 904                                   | (904)                              | -            |
| Gain on investments  | -                                     | -                                  | -        | -                                     | -           | 2,894                                 | (2,894)                            | -            |
| Total net assets transferred or released from restrictions | 152                                   | (152)                              | -        | -                                     | -           | 5,201                                 | (5,201)                            | -            |
| Total revenues and support                                 | 6,132                                 | 9                                  | 6,141    | (98,247)                              | (98,247)    | 229,914                               | 419                                | 230,333      |
| EXPENSES:  |                                       |                                    |          |                                       |             |                                       |                                    |              |
| Program  | 5,000                                 | -                                  | 5,000    | (98,082)                              | (98,082)    | 81,883                                | -                                  | 81,883       |
| Management and general                                     | 867                                   | -                                  | 867      | (165)                                 | (165)       | 32,033                                | -                                  | 32,033       |
| Fundraising  | 7                                     | -                                  | 7        | -                                     | -           | 3,427                                 | -                                  | 3,427        |
| Total expenses   | 5,874                                 | -                                  | 5,874    | (98,247)                              | (98,247)    | 117,343                               | -                                  | 117,343      |
| Gain on interest rate swap                                 | -                                     | -                                  | -        | -                                     | -           | (68,910)                              | -                                  | (68,910)     |
| Total expenses and gain on interest rate swap              | 5,874                                 | -                                  | 5,874    | (98,247)                              | (98,247)    | 48,433                                | -                                  | 48,433       |
| CHANGE IN NET ASSETS OTHER CHANGES AND INCOME TAX EXPENSE  | 258                                   | 9                                  | 267      | -                                     | -           | 181,481                               | 419                                | 181,900      |
| OTHER CHANGES IN NET ASSETS                                |                                       |                                    |          |                                       |             |                                       |                                    |              |
| Investment return excluding amount utilized                | (210)                                 | (1)                                | (211)    | -                                     | -           | (115,116)                             | (4,836)                            | (119,952)    |
| INCOME TAX EXPENSE   | -                                     | -                                  | -        | -                                     | -           | (1,737)                               | -                                  | (1,737)      |
| CHANGE IN NET ASSETS                                       | 48                                    | 8                                  | 56       | -                                     | -           | 64,628                                | (4,417)                            | 60,211       |
| NET ASSETS (DEFICIT)—Beginning of year                     | 3,808                                 | 615                                | 4,423    | -                                     | -           | 1,198,994                             | 778,663                            | 1,977,657    |
| NET ASSETS (DEFICIT)—End of year                           | \$ 3,856                              | \$ 623                             | \$ 4,479 | \$ -                                  | \$ -        | \$ 1,263,622                          | \$ 774,246                         | \$ 2,037,868 |

See note to supplemental consolidating schedules.

(Concluded)



## **VAN ANDEL INSTITUTE AND AFFILIATES**

### **NOTE TO THE SUPPLEMENTAL CONSOLIDATING SCHEDULES AS OF AND FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022 BASIS OF PRESENTATION**

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The primary financial statements of Van Andel Institute and Affiliates are the consolidated financial statements. Amounts reflected in the consolidating schedules for Van Andel Institute and Van Andel Research Institute do not reflect the ownership interest in the controlled entities within the consolidating statement of financial position information or in the consolidating statement of activities and changes in net assets information.

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

**Independent Auditor's Report**

To Management and the Board of Trustees  
Van Andel Institute and Affiliates

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 Van Andel Institute and Affiliates (VAIA), which comprise the consolidated statement of financial position as of November 30, 2023 and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated March 25, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered VAIA'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 VAIA's internal control. Accordingly, we do not express an opinion on the effectiveness of VAIA'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 VAIA'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 or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether VAIA'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*.

To Management and the Board of Trustees  
Van Andel Institute and Affiliates

***VAIA's Response to the Finding***

Government Auditing Standards require the auditor to perform limited procedures on VAIA's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. VAIA's response was not subjected to the other audit procedures applied in the audit of the consolidated financial statements, and, accordingly, we express no opinion on it.

***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 VAIA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VAIA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plante & Moran, PLLC*

March 25, 2024

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control  
Over Compliance Required by the Uniform Guidance

**Independent Auditor's Report**

To the Board of Trustees  
Van Andel Institute and Affiliates

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

***Opinion on Each Major Federal Program***

We have audited Van Andel Institute and Affiliates' (VAIA) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on VAIA's major federal program for the year ended November 30, 2023. VAIA's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, VAIA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended November 30, 2023.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of VAIA 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 VAIA'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 VAIA's federal program.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding VAIA'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 VAIA'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 VAIA'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.

### ***Other Matter***

The results of our auditing procedures disclosed an instance of noncompliance that is required to be reported in accordance with the Uniform Guidance, which is described in the accompanying schedule of findings and questioned costs as Finding 2023-001. Our opinion on the major federal program is not modified with respect to this matter.

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's 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, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2023-001 to be a significant deficiency.

To the Board of Trustees  
Van Andel Institute and Affiliates

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on VAIA's response to the internal control over compliance finding identified in our audit and described in the accompanying schedule of findings and questioned costs. VAIA's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

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.

*Plante & Moran, PLLC*

March 25, 2024

**SUPPLEMENTAL SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS**

**VAN ANDEL INSTITUTE**

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
PERIOD ENDED NOVEMBER 30, 2023**

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title   | Assistance Listing Number | Pass-Through Number | Agency Number    | Federal Expenditures                   |  |
|---|---------------------------|---------------------|------------------|--|--|
|   |                           |                     |                  | Total Amount Provided to Subrecipients | Total Amount Provided to Subrecipients |
| <b>RESEARCH AND DEVELOPMENT CLUSTER:</b>  |                           |                     |                  |  |  |
| National Science Foundation:  |                           |                     |                  |  |  |
| Direct National Science Foundation:   |                           |                     |                  |  |  |
| NATIONAL SCIENCE FOUNDATION —   |                           |                     |                  |  |  |
| Biological Sciences   |                           |                     |                  |  |  |
| Role of poly(ADP-ribose) polymerase 1 in regulating RNA polymerase II elongation and mRNA splicing  | 47.074                    |                     | 2230470          | \$ 7,492                               | \$ 226,492                             |
| NATIONAL SCIENCE FOUNDATION —   |                           |                     |                  |  |  |
| STEM Education (formerly Education and Human Resources)   |                           |                     |                  |  |  |
| Graduate Research Fellowship Program (GRFP)   | 47.076                    |                     | 2334593          | -                                      | 12,333                                 |
| Subtotal Direct National Science Foundation   |                           |                     |                  | 7,492                                  | 238,825                                |
| Pass-Through National Science Foundation:   |                           |                     |                  |  |  |
| NATIONAL SCIENCE FOUNDATION —   |                           |                     |                  |  |  |
| (Passed through Trustees of the University of Pennsylvania)   |                           |                     |                  |  |  |
| Integrative Activities  |                           |                     |                  |  |  |
| Consortium for Research Security Training: Risk Management and Mitigation   | 47.083                    | 585895              | OIA-2230535      | -                                      | 4,689                                  |
| Subtotal Pass-Through National Science Foundation   |                           |                     |                  | -                                      | 4,689                                  |
| Total National Science Foundation   |                           |                     |                  | 7,492                                  | 243,514                                |
| U.S. Department of Defense:   |                           |                     |                  |  |  |
| Direct U.S. Department of Defense:  |                           |                     |                  |  |  |
| U.S. ARMY MEDICAL RESEARCH ACQUISITION ACTIVITY —   |                           |                     |                  |  |  |
| Military Medical Research and Development   |                           |                     |                  |  |  |
| Targeting P53-Associated Therapy Resistance in NF1-Related MPNSTs   | 12.420                    |                     | W81XWH-19-1-0483 | -                                      | 155,597                                |
| U.S. ARMY MEDICAL RESEARCH ACQUISITION ACTIVITY —   |                           |                     |                  |  |  |
| Military Medical Research and Development   |                           |                     |                  |  |  |
| Alternative NF1 Isoforms in RAS Deregulation and Breast Cancer Progression  | 12.420                    |                     | W81XWH-21-1-0224 | -                                      | 66,735                                 |
| U.S. ARMY MEDICAL RESEARCH ACQUISITION ACTIVITY —   |                           |                     |                  |  |  |
| Military Medical Research and Development   |                           |                     |                  |  |  |
| Defining the Effects of A-Synuclein Pathology on the Amygdala Circuitry: Relevance to Neuropsychiatric Dysfunction in Parkinson's Disease | 12.420                    |                     | W81XWH-21-1-0943 | -                                      | 301,355                                |
| U.S. ARMY MEDICAL RESEARCH ACQUISITION ACTIVITY —   |                           |                     |                  |  |  |
| Military Medical Research and Development   |                           |                     |                  |  |  |
| Establishing the Neuroprotective Potential of C9orf72   |                           |                     |                  |  |  |
| Hypermethylation in Repeat Expansion-Caused ALS   | 12.420                    |                     | HT9425-23-1-0196 | -                                      | 116,292                                |
| U.S. ARMY MEDICAL RESEARCH ACQUISITION ACTIVITY —   |                           |                     |                  |  |  |
| Military Medical Research and Development   |                           |                     |                  |  |  |
| The Role of NF1 in Mammary Development, Breast Cancer, and Endocrine Resistance   | 12.420                    |                     | W81XWH-21-1-0759 | -                                      | 337,136                                |
| Subtotal Direct U.S. Department of Defense  |                           |                     |                  | -                                      | 977,115                                |
| Pass-Through U.S. Department of Defense:  |                           |                     |                  |  |  |
| U.S. ARMY MEDICAL RESEARCH ACQUISITION ACTIVITY —   |                           |                     |                  |  |  |
| (Passed through The Regents of the University of California, San Francisco)   |                           |                     |                  |  |  |
| Military Medical Research and Development   |                           |                     |                  |  |  |
| Aryl Hydrocarbon Receptor Activation in PTSD and co-morbid Psychological Disorders  | 12.420                    | 13973sc             | W81XWH-22-1-0942 | -                                      | 11,102                                 |
| U.S. ARMY MEDICAL RESEARCH ACQUISITION ACTIVITY —   |                           |                     |                  |  |  |
| (Passed through Dignity Health dba St. Joseph's Hospital & Medical Center)  |                           |                     |                  |  |  |
| Military Medical Research and Development   |                           |                     |                  |  |  |
| Enhancing ACMSD Activity as a Novel Gene Therapy for ALS  | 12.420                    | 1034086_VARI        | HT9425-23-1-0985 | -                                      | 1,986                                  |
| Subtotal Pass-Through U.S. Department of Defense  |                           |                     |                  | -                                      | 13,088                                 |
| Total U.S. Department of Defense  |                           |                     |                  | -                                      | 990,203                                |
| U.S. Department of Energy:  |                           |                     |                  |  |  |
| Direct U.S. Department of Energy:   |                           |                     |                  |  |  |
| U.S. DEPARTMENT OF ENERGY —   |                           |                     |                  |  |  |
| Office of Science Financial Assistance Program  |                           |                     |                  |  |  |
| Structural Mechanism of Energy Conservation in Hypothermophiles   | 81.049                    |                     | DE SC0020085     | -                                      | 217,218                                |
| Total U.S. Department of Energy   |                           |                     |                  | -                                      | 217,218                                |
| U.S. Department of Health and Human Services:   |                           |                     |                  |  |  |
| Direct U.S. Department of Health and Human Services:  |                           |                     |                  |  |  |
| NATIONAL INSTITUTES OF HEALTH/ NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES —  |                           |                     |                  |  |  |
| Environmental Health  |                           |                     |                  |  |  |
| Molecular Underpinnings in the Establishment of an Oncogenic 3D Genome in Response to Environmental Arsenic Exposure                      | 93.113                    |                     | R01 ES031846     | 35,757                                 | 855,780                                |
| NATIONAL INSTITUTES OF HEALTH/ NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES —  |                           |                     |                  |  |  |
| Environmental Health  |                           |                     |                  |  |  |
| Identification of environmental chemicals capable of inducing health impairments acutely and across generations                           | 93.113                    |                     | R21 ES032060     | -                                      | 103,375                                |



**VAN ANDEL INSTITUTE**

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
PERIOD ENDED NOVEMBER 30, 2023**

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title  | Assistance Listing Number | Pass-Through Number | Agency Number | Federal Expenditures                   |  |
|--|---------------------------|---------------------|---------------|--|--|
|  |                           |                     |               | Total Amount Provided to Subrecipients | Total Amount Provided to Subrecipients |
| <b>RESEARCH AND DEVELOPMENT CLUSTER (Continued):</b>   |                           |                     |               |  |  |
| U.S. Department of Health and Human Services (Continued):  |                           |                     |               |  |  |
| Direct U.S. Department of Health and Human Services (Continued):   |                           |                     |               |  |  |
| NATIONAL INSTITUTES OF HEALTH/ NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES —                           |                           |                     |               |  |  |
| Environmental Health   |                           |                     |               |  |  |
| Molecular mechanisms of iAs-mediated carcinogenesis through the lens of histone H2B variants                   | 93.113                    |                     | R01 ES034253  | \$ -                                   | \$ 662,211                             |
| NATIONAL INSTITUTES OF HEALTH/ NATIONAL INSTITUTE OF DENTAL & CRANIOFACIAL RESEARCH —                          |                           |                     |               |  |  |
| Oral Diseases and Disorders Research   |                           |                     |               |  |  |
| Deciphering the Role of Frizzled Receptors in Palatal Development  | 93.121                    |                     | K08 DE031039  | -                                      | 107,385                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL HUMAN GENOME RESEARCH INSTITUTE —                                       |                           |                     |               |  |  |
| Human Genome Research  |                           |                     |               |  |  |
| Epigenomics Workshop for Graduate Students   | 93.172                    |                     | R25 HG011020  | -                                      | 36,112                                 |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL HUMAN GENOME RESEARCH INSTITUTE —                                       |                           |                     |               |  |  |
| Human Genome Research  |                           |                     |               |  |  |
| Epigenetic control and probabilistic disease programming   | 93.172                    |                     | R21 HG011964  | -                                      | 149,295                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF MENTAL HEALTH —  |                           |                     |               |  |  |
| Mental Health Research Grants  |                           |                     |               |  |  |
| Inflammatory Factors and Kynurenine Metabolites Tracking Suicidal Behavior                                     | 93.242                    |                     | R01 MH118211  | 228,044                                | 815,725                                |
| NATIONAL INSTITUTES OF HEALTH/ NATIONAL HUMAN GENOME RESEARCH INSTITUTE —                                      |                           |                     |               |  |  |
| Trans-NIH Research Support   |                           |                     |               |  |  |
| Master regulators of unexplained variation in disease risk   | 93.310                    |                     | R01 HG012444  | 916,572                                | 2,074,620                              |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —  |                           |                     |               |  |  |
| Cancer Cause and Prevention Research   |                           |                     |               |  |  |
| Targeting DNA Methylation and the Cancer Epigenome   | 93.393                    |                     | R35 CA209859  | 83,242                                 | 1,061,550                              |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —  |                           |                     |               |  |  |
| Cancer Cause and Prevention Research   |                           |                     |               |  |  |
| Establishing and Interpreting Abnormal DNA Methylation in Cancer   | 93.393                    |                     | R35 CA209859  | 26,466                                 | 335,193                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —  |                           |                     |               |  |  |
| Cancer Cause and Prevention Research   |                           |                     |               |  |  |
| DNA Hypermethylation in Lung Tumors  | 93.393                    |                     | R01 CA234595  | -                                      | 498,353                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —  |                           |                     |               |  |  |
| Cancer Cause and Prevention Research   |                           |                     |               |  |  |
| Research Specialist Support-Targeting DNA Methylation and the Cancer Epigenome                                 | 93.393                    |                     | R50 CA243878  | -                                      | 85,066                                 |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —  |                           |                     |               |  |  |
| Cancer Cause and Prevention Research   |                           |                     |               |  |  |
| Mechanisms of Cancer Mutations   | 93.393                    |                     | R01 CA276031  | -                                      | 385,849                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —  |                           |                     |               |  |  |
| Cancer Detection and Diagnosis Research  |                           |                     |               |  |  |
| Detection and Prognosis of Early-Stage Pancreatic Cancer by Interdependent Plasma Markers                      | 93.394                    |                     | U01 CA152653  | 11,503                                 | 20,804                                 |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —  |                           |                     |               |  |  |
| Cancer Detection and Diagnosis Research  |                           |                     |               |  |  |
| Subpopulations of Pancreatic Cancer Cells Defined by Glycan Markers  | 93.394                    |                     | U01 CA226158  | 182,779                                | 587,418                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —  |                           |                     |               |  |  |
| Cancer Detection and Diagnosis Research  |                           |                     |               |  |  |
| Integrative Cancer Epigenomic Data Analysis Center (ICE-DAC)   | 93.394                    |                     | U24 CA264023  | -                                      | 506,168                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —  |                           |                     |               |  |  |
| Cancer Treatment Research  |                           |                     |               |  |  |
| Discovery of small molecules targeting the histone acetylation reader ENL                                      | 93.395                    |                     | R01 CA255506  | 12,285                                 | 403,296                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —  |                           |                     |               |  |  |
| Cancer Treatment Research  |                           |                     |               |  |  |
| High Throughput Screen for Inhibitors of the YEATS2 Histone Acylation Reader                                   | 93.395                    |                     | R01 CA268440  | 14,653                                 | 357,338                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —  |                           |                     |               |  |  |
| Cancer Treatment Research  |                           |                     |               |  |  |
| Understanding the effects of dietary interventions on pancreatic ductal adenocarcinoma therapy cancer          | 93.395                    |                     | R00 CA255928  | -                                      | 284,075                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —  |                           |                     |               |  |  |
| Cancer Biology Research  |                           |                     |               |  |  |
| High-throughput Epigenomic Mapping of Regulatory Elements in Ovarian Cancer at Basepair Resolution             | 93.396                    |                     | R37 CA230748  | 28,350                                 | 154,514                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —  |                           |                     |               |  |  |
| Cancer Biology Research  |                           |                     |               |  |  |
| High-throughput Epigenomic Mapping of Regulatory Elements in Ovarian Cancer at Basepair Resolution (Extension) | 93.396                    |                     | R37 CA230748  | -                                      | 130,501                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —  |                           |                     |               |  |  |
| Cancer Biology Research  |                           |                     |               |  |  |
| The Structure and Function of Eukaryotic Protein Glycosylation Enzymes   | 93.396                    |                     | R01 CA231466  | -                                      | 166,969                                |

**VAN ANDEL INSTITUTE**

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
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| Federal Grantor/Pass-Through Grantor/Program or Cluster Title   | Assistance Listing Number | Pass-Through Number | Agency Number   | Federal Expenditures                   |  |
|---|---------------------------|---------------------|-----------------|--|--|
|   |                           |                     |                 | Total Amount Provided to Subrecipients | Total Amount Provided to Subrecipients |
| <b>RESEARCH AND DEVELOPMENT CLUSTER (Continued):</b>  |                           |                     |                 |  |  |
| U.S. Department of Health and Human Services (Continued):   |                           |                     |                 |  |  |
| Direct U.S. Department of Health and Human Services (Continued):  |                           |                     |                 |  |  |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —<br>Cancer Biology Research<br>Cellular Epigenetic Heterogeneity as a Predeterminant of Malignant Transformation Potential   | 93.396                    |                     | R01 CA234125    | \$ -                                   | \$ 556,324                             |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —<br>Cancer Biology Research<br>Molecular mechanisms of protein glycosylation and trafficking   | 93.396                    |                     | R01 CA231466    | -                                      | 252,183                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —<br>Cancer Research Manpower<br>Defining the regulation of UHRF1 and DNMT1 for maintenance of the epigenome  | 93.398                    |                     | F32 CA260116    | -                                      | 76,609                                 |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —<br>Cancer Research Manpower<br>Mechanisms of DNMT3B-mediated DNA Methylation Maintenance  | 93.398                    |                     | F31 CA257440    | -                                      | 29,546                                 |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —<br>Cancer Research Manpower<br>A Molecular Case Series: Deep Cellular and Spatial Epigenetic Characterization of Human Colorectal Cancer  | 93.398                    |                     | F30 CA268840    | -                                      | 48,181                                 |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —<br>Cancer Research Manpower<br>Impact of neurofibromin on ER-alpha and nuclear speck post-transcriptional gene regulation   | 93.398                    |                     | F99 CA284282    | -                                      | 12,798                                 |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —<br>Cancer Research Manpower<br>Cancer Epigenetics Training (CET) Program  | 93.398                    |                     | T32 CA251066    | -                                      | 260,575                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL HEART, LUNG, AND BLOOD INSTITUTE —<br>Cardiovascular Diseases Research<br>Structural and functional studies of the human TRPM4 and TRPM5 channels  | 93.837                    |                     | R01 HL153219    | -                                      | 718,197                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL HEART, LUNG, AND BLOOD INSTITUTE —<br>Blood Diseases and Resources Research<br>The Role of Wnt Signaling in Normal and Abnormal Hematopoiesis  | 93.839                    |                     | R00 HL133458    | -                                      | 100,537                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES —<br>Arthritis, Musculoskeletal and Skin Diseases Research<br>5-methylcytosine oxidation in development and disease   | 93.846                    |                     | R01 AR079174    | -                                      | 426,602                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES —<br>Diabetes, Digestive, and Kidney Diseases Extramural Research<br>Identifying microbial mechanisms that regulate animal insulin signaling                                   | 93.847                    |                     | DP2 DK139569    | -                                      | 93,399                                 |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES —<br>Diabetes, Digestive, and Kidney Diseases Extramural Research<br>A Trim28-ERV axis drives phenotypic variation in obesity  | 93.847                    |                     | R01 DK132216    | -                                      | 39,785                                 |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE —<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br>Structural and Functional Studies on Proton-activated Chloride (PAC) Channel                       | 93.853                    |                     | K99 NS128258    | -                                      | 111,029                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE —<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br>Combining Synucleinopathy and Mitochondrial Deficits in a Novel Mouse Model of Parkinson's Disease | 93.853                    |                     | R33 NS106078    | 79,956                                 | 130,922                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE —<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br>Structural and functional studies of the TRPM2 channel   | 93.853                    |                     | R01 NS111031    | -                                      | 476,559                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE —<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br>Structural and functional studies of the TRPM2 channel   | 93.853                    |                     | R01 NS111031-S1 | -                                      | 165,285                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE —<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br>Structural and Functional Studies of CALHM Channels  | 93.853                    |                     | R01 NS112363    | -                                      | 453,519                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE —<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br>Epigenetic Contributions to Symptom Asymmetry in Parkinson's Disease                               | 93.853                    |                     | R01 NS113894    | -                                      | 475,936                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE —<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br>The Contribution of the Vermiform Appendix to Parkinson's Disease                                  | 93.853                    |                     | R01 NS114409    | 66,063                                 | 750,380                                |

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| Federal Grantor/Pass-Through Grantor/Program or Cluster Title   | Assistance Listing Number | Pass-Through Number | Agency Number | Federal Expenditures                   |  |
|---|---------------------------|---------------------|---------------|--|--|
|   |                           |                     |               | Total Amount Provided to Subrecipients | Total Amount Provided to Subrecipients |
| <b>RESEARCH AND DEVELOPMENT CLUSTER (Continued):</b>  |                           |                     |               |  |  |
| U.S. Department of Health and Human Services (Continued):   |                           |                     |               |  |  |
| Direct U.S. Department of Health and Human Services (Continued):  |                           |                     |               |  |  |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE —<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br>Exploring Mechanisms of Parkinson's Disease-Linked D620N VPS35 in Rat Models | 93.853                    |                     | R01 NS117137  | \$ -                                   | \$ 507,134                             |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE —<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br>Role of T cells in alpha-synuclein pathology                                 | 93.853                    |                     | R21 NS122376  | -                                      | 25,911                                 |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE —<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br>Motor cortical circuitry adaptations in experimental Parkinson's disease     | 93.853                    |                     | R01 NS121371  | 14,277                                 | 500,915                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE —<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br>LRRK2 Enzymatic Mechanisms of Neurodegeneration in Parkinson's Disease       | 93.853                    |                     | R01 NS120489  | -                                      | 503,265                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE —<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br>Molecular mechanisms for sorting lysosomal proteins                          | 93.853                    |                     | R01 NS127292  | -                                      | 616,177                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE —<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br>Structural Basis of Nociceptor Channel TRPM3 gating and pharmacology         | 93.853                    |                     | R01 NS129804  | -                                      | 350,029                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE —<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br>Targeted Cortical Circuit Manipulation in Parkinson's Disease                | 93.853                    |                     | R21 NS135545  | -                                      | 7,618                                  |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES —<br>Allergy, Immunology and Transplantation Research<br>Structural Biology of Proteostasis in M. Tuberculosis  | 93.855                    |                     | R01 AI070285  | -                                      | 150,178                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES —<br>Allergy, Immunology and Transplantation Research<br>Ketone Body Metabolism in CD8+ T Cell Responses  | 93.855                    |                     | R01 AI165722  | -                                      | 672,539                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES —<br>Allergy, Immunology and Transplantation Research<br>The roles of genetics, hormones, and gender in sexually dimorphic immune response                          | 93.855                    |                     | R01 AI171984  | 33,002                                 | 623,515                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES —<br>Allergy, Immunology and Transplantation Research<br>Mechanisms of histone crosstalk with bacterial pathogens   | 93.855                    |                     | R21 AI173758  | -                                      | 230,321                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES —<br>Biomedical Research and Research Training<br>Epigenetic Mechanisms of Retrotransposon Silencing   | 93.859                    |                     | R35 GM147261  | -                                      | 503,569                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES —<br>Biomedical Research and Research Training<br>A novel process safeguards genome integrity in the mammalian germ line   | 93.859                    |                     | R01 GM143308  | -                                      | 556,725                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES —<br>Biomedical Research and Research Training<br>Structural Mechanism of DNA Replication  | 93.859                    |                     | R35 GM131754  | -                                      | 851,793                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES —<br>Biomedical Research and Research Training<br>Elucidating Structures and Molecular Mechanisms of Pannexin Channels   | 93.859                    |                     | R35 GM138321  | -                                      | 551,822                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES —<br>Biomedical Research and Research Training<br>Understanding WNT9A/FZD9 Trafficking and Signaling   | 93.859                    |                     | R35 GM142779  | -                                      | 709,576                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES —<br>Biomedical Research and Research Training<br>Regulation of mitochondrial fatty acid synthesis in the control of mitochondrial metabolism                              | 93.859                    |                     | R35 GM151245  | -                                      | 248,591                                |

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|   |                           |                        |               | Total Amount Provided to Subrecipients | Total Amount Provided to Subrecipients |
| <b>RESEARCH AND DEVELOPMENT CLUSTER (Continued):</b>  |                           |                        |               |  |  |
| U.S. Department of Health and Human Services (Continued):   |                           |                        |               |  |  |
| Direct U.S. Department of Health and Human Services (Continued):  |                           |                        |               |  |  |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE ON AGING —   |                           |                        |               |  |  |
| Aging Research  |                           |                        |               |  |  |
| Role of Desumoylase SENP6 in Joint Aging and Osteoarthritis Development   | 93.866                    |                        | R01 AG061086  | \$ -                                   | \$ 323,358                             |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE ON AGING —   |                           |                        |               |  |  |
| Aging Research  |                           |                        |               |  |  |
| Network and cellular vulnerability to pathological protein progression  | 93.866                    |                        | R01 AG077573  | 31,485                                 | 541,899                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE ON AGING —   |                           |                        |               |  |  |
| Aging Research  |                           |                        |               |  |  |
| Alzheimer's Disease Genetic Architecture in the Portuguese Population   | 93.866                    |                        | R01 AG067426  | -                                      | 347,687                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE ON AGING —   |                           |                        |               |  |  |
| Aging Research  |                           |                        |               |  |  |
| Progressive DNA Hypomethylation as a Measure of Mitotic History and Potential Contributor to Replicative Senescence   | 93.866                    |                        | R01 AG066764  | -                                      | 555,079                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE ON AGING —   |                           |                        |               |  |  |
| Aging Research  |                           |                        |               |  |  |
| Endogenous retrovirus in joint aging and osteoarthritis development   | 93.866                    |                        | R01 AG083568  |  | 93,433                                 |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE ON AGING —   |                           |                        |               |  |  |
| Aging Research  |                           |                        |               |  |  |
| Accelerated DNA Methylation Alterations in Hutchinson-Gilford Progeria Syndrome   | 93.866                    |                        | R01 AG084743  |  | 148,292                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE ON AGING —   |                           |                        |               |  |  |
| Aging Research  |                           |                        |               |  |  |
| Role of the endolysosomal pathway in Lewy body dementia   |                           |                        |               |  |  |
| - from population genomics to single cells  | 93.866                    |                        | R56 AG070857  | -                                      | 73,771                                 |
| Subtotal Direct U.S. Department of Health and Human Services  |                           |                        |               | <u>1,764,434</u>                       | <u>24,653,160</u>                      |
| Pass-Through U.S. Department of Health and Human Services:  |                           |                        |               |  |  |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES —   |                           |                        |               |  |  |
| (Passed through The John Hopkins University)  |                           |                        |               |  |  |
| Environmental Health  |                           |                        |               |  |  |
| DNA Methyltransferase Gene Expression in Colon Cancer   | 93.113                    | 2004252807             | R01 ES011858  | -                                      | 117,862                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES —   |                           |                        |               |  |  |
| (Passed through The Regents of University of California, Los Angeles)   |                           |                        |               |  |  |
| Environmental Health  |                           |                        |               |  |  |
| Role of epigenetic crosstalks in directing locus sensitivity to arsenic   | 93.113                    | 3022 G LA306           | R01 ES034251  | -                                      | 15,455                                 |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF MENTAL HEALTH —   |                           |                        |               |  |  |
| (Passed through The Regents of the University of California, San Francisco)   |                           |                        |               |  |  |
| Mental Health Research Grants   |                           |                        |               |  |  |
| Gut Microbiota Dysbiosis in Major Depressive Disorder is Associated with Altered Production of Aryl Hydrocarbon Receptor Ligands and Altered Microglia Function | 93.242                    | 14013sc                | K08MH126192   | -                                      | 2,984                                  |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —   |                           |                        |               |  |  |
| (Passed through The Board of Regents of the University System of Georgia)   |                           |                        |               |  |  |
| Trans-NIH Research Support  |                           |                        |               |  |  |
| Annotating dark ion-channel functions using evolutionary features, machine learning, and knowledge graph mining   | 93.310                    | SUB00002836            | U01 CA271376  | -                                      | 125,081                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE ON DRUG ABUSE —  |                           |                        |               |  |  |
| (Passed through Washington University, St.Louis)  |                           |                        |               |  |  |
| Trans-NIH Research Support  |                           |                        |               |  |  |
| WashU-VAl Somatic Mosaicism across Human Tissues (SMAHT) Program Genome Characterization Center   | 93.310                    | WU-23-0618             | UM1 DA058219  | -                                      | 220,687                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —   |                           |                        |               |  |  |
| (Passed through University of Pittsburgh)   |                           |                        |               |  |  |
| Cancer Detection and Diagnosis Research   |                           |                        |               |  |  |
| Validation of biomarkers for risk prediction and early diagnosis of Pancreatic Adenocarcinoma   | 93.394                    | AWD00007413 (139227-2) | U01 CA200466  | -                                      | 54,157                                 |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —   |                           |                        |               |  |  |
| (Passed through The Icahn School of Medicine at Mount Sinai)  |                           |                        |               |  |  |
| Cancer Treatment Research   |                           |                        |               |  |  |
| Development of Novel PROTACs Targeting the ENL YEATS Domain for Treating MLL-rearranged Leukemias   | 93.395                    | 0255-E741-4609         | R01 CA260666  | -                                      | 250,140                                |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —   |                           |                        |               |  |  |
| (Passed through the University of Michigan)   |                           |                        |               |  |  |
| Cancer Biology Research   |                           |                        |               |  |  |
| Highly Specific, Amplification-Free, Single-Molecule Counting of Rare Methylated DNA Cancer Biomarkers  | 93.396                    | SUBK00012016           | R21 CA225493  | -                                      | 17,061                                 |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —   |                           |                        |               |  |  |
| (Passed through the Coriell Institute for Medical Research)   |                           |                        |               |  |  |
| Cancer Centers Support Grants   |                           |                        |               |  |  |
| Epigenetic Therapies – New Approaches, Project 2  | 93.397                    | A22-0002-S005          | P50 CA254897  | -                                      | 314,526                                |

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| Federal Grantor/Pass-Through Grantor/Program or Cluster Title  | Assistance Listing Number | Pass-Through Number | Agency Number | Federal Expenditures                   |  |
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|  |                           |                     |               | Total Amount Provided to Subrecipients | Total Amount Provided to Subrecipients |
| <b>RESEARCH AND DEVELOPMENT CLUSTER (Continued):</b>   |                           |                     |               |  |  |
| U.S. Department of Health and Human Services (Continued):  |                           |                     |               |  |  |
| Pass-Through U.S. Department of Health and Human Services (Continued):   |                           |                     |               |  |  |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —<br>(Passed through the Coriell Institute for Medical Research)<br>Cancer Centers Support Grants<br>Epigenetic Therapies – New Approaches, Admin Core   | 93.397                    | A22-0002-S003       | P50 CA254897  | \$ -                                   | \$ 92,388                              |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL CANCER INSTITUTE —<br>(Passed through the Coriell Institute for Medical Research)<br>Cancer Centers Support Grants<br>Epigenetic Therapies – New Approaches, Pathology Core   | 93.397                    | A22-0002-S007       | P50 CA254897  | -                                      | 111,812                                |
| NATIONAL INSTITUTES OF NEUROLOGICAL DISORDERS AND STROKE —<br>(Passed through Oregon Health & Science University)<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br>LRRK2 in Parkinson's Disease Neurodegeneration  | 93.853                    | 1020233_VARI        | R01 NS119226  | -                                      | 39,122                                 |
| NATIONAL INSTITUTES OF NEUROLOGICAL DISORDERS AND STROKE —<br>(Passed through J. David Gladstone Institutes)<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br>Dissecting the Etiology of The Lewy Body Dementias   | 93.853                    | SC-00076            | RF1 NS124848  | -                                      | 48,742                                 |
| NATIONAL INSTITUTES OF NEUROLOGICAL DISORDERS AND STROKE —<br>(Passed through University of California, Davis)<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br><br>Activation and Inhibition Mechanisms of Calcium-Activated Nonselective Cation Channels                 | 93.853                    | A23-0280-S001       | R01 NS128180  | -                                      | 221,977                                |
| NATIONAL INSTITUTES OF NEUROLOGICAL DISORDERS AND STROKE —<br>(Passed through Vincere Biosciences, Inc.)<br>Extramural Research Programs in the Neurosciences and Neurological Disorders<br>In vivo Evaluation of USP30 Inhibitors in Models Relevant to Parkinson's Disease                                 | 93.853                    | R43NS127693         | R43 NS127693  | -                                      | 5,811                                  |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES —<br>(Passed through New York University School of Medicine)<br>Allergy, Immunology and Transplantation Research<br>C-Terminal Proteolysis in the Pseudomonas Aeruginosa Cell Envelope                                   | 93.855                    | 17-A0-00-008513-01  | R01 AI136901  | -                                      | 59,737                                 |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES —<br>(Passed through Joan & Sanford I. Weill Medical College of Cornell University)<br>Allergy, Immunology and Transplantation Research<br>Selective Plasmodium Proteasome Inhibitors as Novel Multi-Stage Antimalarials | 93.855                    | 203000              | R01 AI143714  | -                                      | 94,828                                 |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES —<br>(Passed through Z Biotech, LLC)<br>Biomedical Research and Research Training<br>Bioinformatic Tools for Interpretation of Glycan Array Data  | 93.859                    | R44GM131430         | R44 GM131430  | -                                      | 294,173                                |
| NATIONAL INSTITUTES OF HEALTH/EUNICE SHRIVER NATIONAL INSTITUTE OF CHILD HEALTH & HUMAN DEVELOPMENT —<br>(Passed through Michigan State University)<br>Child Health and Human Development Extramural Research<br>Patient-Specific Targeting of Uterine Fibroids  | 93.865                    | RC110267VARI        | R01 HD096259  | -                                      | 65,820                                 |
| NATIONAL INSTITUTES OF HEALTH/NATIONAL INSTITUTE ON AGING —<br>(Passed through University of California, Los Angeles)<br>Aging Research<br>Alpha-Synuclein Induced Network Hyperexcitability in Lewy Body Dementias  | 93.866                    | 1580 G ZC848        | R56 AG074473  | -                                      | 98,276                                 |
| Subtotal Pass-Through U.S. Department of Health and Human Services   |                           |                     |               | -                                      | 2,250,639                              |
| Total U.S. Department of Health and Human Services   |                           |                     |               | 1,764,434                              | 26,903,799                             |
| Total Research and Development Cluster   |                           |                     |               | 1,771,926                              | 28,354,734                             |
| Total Expenditures of Federal Awards   |                           |                     |               | \$ 1,771,926                           | \$ 28,354,734                          |

(Concluded)

The accompanying notes are an integral part of this schedule.

# VAN ANDEL INSTITUTE AND AFFILIATES

## NOTES TO SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED NOVEMBER 30, 2023

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### 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Van Andel Institute and Affiliates ("VAIA") under programs of the federal government for the year ended November 30, 2023. 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* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of VAIA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of VAIA.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the same basis of accounting as the consolidated financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

VAIA has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

# VAN ANDEL INSTITUTE AND AFFILIATES

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED NOVEMBER 30, 2023

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### SECTION 3 – FEDERAL PROGRAM AUDIT FINDINGS

#### 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?  X  Yes \_\_\_\_\_ 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 Section 2 CFR 200.516 (a)?  X  Yes \_\_\_\_\_ No

Identification of major programs:

| <u>Assistance Listing Numbers</u>  | <u>Name of Federal Program or Cluster</u> | <u>Opinion</u> |
|--|---|----------------|
| 12.420, 47.074, 47.076, 47.083, 81.049, 93.113, 93.121, 93.172, 93.242, 93.310, 93.393, 93.394, 93.395, 93.396, 93.397, 93.398, 93.837, 93.839, 93.846, 93.847, 93.853, 93.855, 93.859, 93.865, 93.866 | Research and Development Cluster          | Unmodified     |

Dollar threshold used to distinguish between type A and type B programs: \$850,642

Auditee qualified as low-risk auditee?  X  Yes \_\_\_\_\_ No

### SECTION 2 - CONSOLIDATED FINANCIAL STATEMENT AUDIT FINDINGS

None

# VAN ANDEL INSTITUTE AND AFFILIATES

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED NOVEMBER 30, 2023

### SECTION 3 – FEDERAL PROGRAM AUDIT FINDINGS (CONTINUED)

| Reference Number | Finding  |
|------------------|--|
| 2023-001         | <p data-bbox="399 512 1495 600"><b>Assistance Listing, Federal Agency, and Program Name</b> – 93.866, U.S. Department of Health and Human Services, Aging Research – Role of Desumoylase SENP6 in Joint Aging and Osteoarthritis Development, Research and Development Center</p> <p data-bbox="399 621 1195 651"><b>Federal Award Identification Number and Year</b> – R01 AG061086</p> <p data-bbox="399 672 899 701"><b>Pass-through Entity</b> – N/A – direct award</p> <p data-bbox="399 722 1479 751"><b>Finding Type</b> - Significant deficiency and material noncompliance with laws and regulations</p> <p data-bbox="399 772 647 802"><b>Repeat Finding</b> - No</p> <p data-bbox="399 823 1495 1003"><b>Criteria</b> – In accordance with 2 CFR 200.405, costs are allocable to a particular federal award if the goods or services involved are chargeable or assignable to that federal award or cost objective in accordance with relative benefits received. Costs must be incurred specifically for a federal award and if costs benefit multiple grants, the costs can be allocated between federal and non-federal grants using a reasonable allocation method. Allocable costs can be requested for reimbursement by the federal agency.</p> <p data-bbox="399 1024 1495 1146"><b>Condition</b> – VAIA’s controls requiring investigators to monitor expenses, ensure that costs benefitting multiple projects are allocated using a reasonable methodology, as required by Uniform Guidance, and ensure that allocation errors are timely corrected were not supported by adequate training of investigators and their delegates.</p> <p data-bbox="399 1167 699 1197"><b>Questioned Costs</b> – N/A</p> <p data-bbox="399 1218 1179 1247"><b>Identification of How Questioned Costs Were Computed</b> – N/A</p> <p data-bbox="399 1268 1495 1600"><b>Context</b> - In December of 2023, VAIA identified it did not properly calculate an allocation of certain costs incurred that benefited both federal and institutionally funded projects. VAIA management performed a look back analysis of these costs and determined that only 50 percent of the costs benefited the federal grant activities instead of the 100 percent originally reported to and reimbursed by the federal agency, resulting in excess draws of approximately \$248,000, including approximately \$30,000 for the year ending November 30, 2023. The approximate \$30,000 includes approximately \$16,000 of direct costs and approximately \$14,000 of indirect using VAIA’s negotiated rate. VAIA notified the funding agency of this error and reimbursed the federal agency in February 2024. The amount reported on the accompanying Schedule of Expenditures of Federal Awards for the year ended November 30, 2023 does not include any of these unallowable charges.</p> <p data-bbox="399 1621 1495 1743"><b>Cause and Effect</b> – VAIA’s training of investigators and their delegates regarding expense monitoring, allocation of costs benefitting multiple projects using reasonable methodologies, and the timely correction of allocation errors was inadequate and resulted in VAIA drawing down funds to which they were not entitled.</p> <p data-bbox="399 1764 1495 1845"><b>Recommendation</b> – We recommend that VAIA review its procedures and controls to ensure principal investigators are properly trained and knowledgeable regarding allocation of expenditures between programs.</p> |



# VAN ANDEL INSTITUTE AND AFFILIATES

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED NOVEMBER 30, 2023

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### SECTION 3 – FEDERAL PROGRAM AUDIT FINDINGS (CONTINUED)

**Views of Responsible Officials and Corrective Action Plan** – VAIA requires laboratory personnel to review and approve monthly Vivarium transactions by protocol, since investigators and their delegates are the only individuals at VAIA in a position to know with certainty how Vivarium costs proportionately benefit multiple funding sources. Following VAIA's customary review and approval process, VAIA's internal controls subsequently identified an improperly calculated allocation. Taking swift action, the allocation was corrected, and funds were returned to the Federal Government within 90 days of identifying improper allocation as required by NIH Grants Policy Statement section 7.5. VAIA management disclosed this correction to our external auditors and the award's Grant Management Officer.

VAI's corrective action plan for Vivarium charges includes the following:

- Deploying an automated front-end solution that requires a protocol review and approval by our IACUC office before a protocol is made available for use by individual sponsored projects.
- Evaluating additional opportunities to utilize technology to enhance the control environment, particularly with respect to cost allocation of vivarium charges,
- Ensuring proper allocation through three meetings per laboratory in 2024 to review Vivarium costs charged to federally sponsored projects.
- Providing additional continuing education on cost allocation principles for those making allocation determinations



**Van Andel Institute**  
**November 30, 2023**  
**Summary Schedule of Prior Audit Findings**

**Prior Year Finding Number:**  
2022-001

**Fiscal Year in Which the Finding Initially Occurred:**  
November 30, 2022

**Federal Program, Assistance Listing Number and Name:**  
93.395, U.S. Department of Health and Human Services, Cancer Treatment Research, Research and Development Cluster; 93.173, U.S. Department of Health and Human Services, Research Related to Deafness and Communication Disorders, Research and Development Cluster; 93.393, U.S. Department of Health and Human Services, Cancer Cause and Prevention Research, Targeting DNA Methylation and Cancer Epigenome, Research and Development Cluster

**Original Finding Description:**  
Controls in place did not minimize the time elapsing between the transfer of funds and disbursement to VAIA's subrecipients.

**Status/Partial Corrective Action (as applicable):**  
Fully Corrected during June 2023

**Planned Corrective Action:**  
N/A



**Van Andel Institute**  
**November 30, 2023**  
**Corrective Action Plan**

**Finding Number:** 2023-001

**Condition:** VAIA's controls requiring investigators to monitor expenses, ensure that costs benefitting multiple projects are allocated using a reasonable methodology, as required by Uniform Guidance, and ensure that allocation errors are timely corrected were not supported by adequate training of investigators and their delegates.

**Planned Corrective Action:** VAIA requires laboratory personnel to review and approve monthly Vivarium transactions by protocol, since investigators and their delegates are the only individuals at VAIA in a position to know with certainty how Vivarium costs proportionately benefit multiple funding sources. Following VAIA's customary review and approval process, VAIA's internal controls subsequently identified an improperly calculated allocation. Taking swift action, the allocation was corrected, and funds were returned to the Federal Government within 90 days of identifying improper allocation as required by NIH Grants Policy Statement section 7.5. VAIA management disclosed this correction to our external auditors and the award's Grant Management Officer.

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- Providing additional continuing education on cost allocation principles for those making allocation determinations

**Contact person responsible for corrective action:** Craig Reynolds, Vice President for Research Protections

**Anticipated Completion Date:** 12/31/2024