

**MINUTES OF THE ANNUAL MEETING
OF THE
MOUNT DESERT ISLAND BIOLOGICAL LABORATORY CORPORATION**

The following were in attendance in person at MDI Biological Laboratory and via Zoom video conference at the Annual Meeting of the Corporation of the Mount Desert Island Biological Laboratory on Thursday, July 27, 2023:

Amy Ackerman	Janis L. Coates, Ph.D.	John A. Hays
Omodasola Adekeye	James A. Coffman, Ph.D.	Robert Holden
Virginia P. Agar	Glenn Colby	Matthew Horton
Corinne Antignac, M.D., Ph.D.	Karen Crawford, Ph.D.	Hilary Hosmer
Edward Ashworth	Elizabeth Crockett, Ph.D.	Billy G. Hudson, M.D.
Sharon L. Ashworth, Ph.D.	Ruth Cserr	Julie K. Hudson, M.D.
Ute Asmussen-Haller	David C. Dawson, Ph.D.	Benjamin D. Humphreys, M.D., Ph.D.
Atalay Ata	Kay Dawson	Cory Johnson, Ph.D.
Cait D. Bailey	Blanca de Juan Mora	Gabriela Johnson
Vjera M. Bakovic Silva, M.D.	Vanessa Diaz-Gaumond	Caramai Kamei
Yannic Becker	Charles Dinsmore, Ph.D.	Karl J. Karnaky, Jr., Ph.D.
Barbara S. Beltz, Ph.D.	Megan Dinsmore	Patricia A. King, M.D., Ph.D.
Edward J. Benz, Jr., M.D.	Jane E. Disney, Ph.D.	Rolf K. Kinne, M.D., Ph.D.
Frederick Bever	Diane Dragaud, M.A.	Allan J. Kleinman
Frances Bocox	Iain Drummond, Ph.D.	Joan Kleinman
Jacqueline C. Bolt	Jonathan A. Epstein, M.D.	Anne M. Kozak
Frederic Bonnet, Ph.D.	David H. Evans, Ph.D.	Sadie Kuhn
Jerilyn M. Bowers	Jean Evans	Mindi Laine
Thomas A. Boyd, Ph.D.	Anna E. Farrell	Melanie Leach
James L. Boyer, M.D.	Susan K. Fellner, M.D.	Lewis Leathersich
Phoebe B. Boyer	Gert Fricker, M.D., Ph.D.	Anne Lehmann
Terence C. Boylan	Jeremy H. Fuqua	Robert W. Lehmann
Maximillian J. Brenninkmeyer	Damian Garcia-Garcia	Rhiannon Lewis
Dennis Brown, Ph.D.	Joel Graber, Ph.D.	Sharon Linscott
George M. Bulow	Kate Greene	Jennifer Litterall
Judith Burger-Gossart	George Grohs	Claudine D. Lurvey
Emily S. Burke	Wynne Guglielmo	Hannah E. Lust, Ph.D.
Travis Carney, Ph.D.	Hermann Haller, M.D.	Romain Madelaine, Ph.D.
Travis Catalano	Bobbi Harris	Nancy Madore
Cheryl M. Claiborne	Jane R. Harrison	Anchal Mahajan
James B. Claiborne, Ph.D.	Andrew Hart	Frederick J. Mansfield, M.D.
	Brian Hartman	Joan F. Mansfield, M.D.
	R. Patrick Hasset, Ph.D.	

Anna U. Maynard
Catherine McCusker, Ph.D.
Sam McGee
Roy McMorran
Janet Meryweather
Alan B. Miller, Esq.
Jacqueline Morin
I. Wistar Morris, III
Robert L. Morris, Ph.D.
Prayag Murawala, Ph.D.
Elizabeth R. Myers, Ph.D.
Margaret A. Myers, M.D.
Olaleye Olajuyin
Anastasia Paulmann
Harald Paumgarten
Amy Pelletier
Julia Plunkett
Kenneth D. Poss, Ph.D.
Joyce Preston
Robert L. Preston, Ph.D.
Mildred Prince
Mary C. Ratner
Dean S. Read

Penny Read
Amy Richards
Arin Rinvelt
Aric N. Rogers, Ph.D.
Sonia Sandhi
Sunne Savage
Patricia Schroder
Halyna Shcherbata, Ph.D.
Dennis L. Shubert, M.D.,
Ph.D.
Charles Sidman, Ph.D.
Christopher P. Sighinolfi
Patricio Silva, M.D.
William Skocpol, Ph.D.
Christine Smith
Neil D. Smith, M.D.
Lynne Staggs
Bruce A. Stanton, Ph.D.
Clare C. Stone
Makenzi Tallon
Andrea R. Tilden, Ph.D.
Bill Tobin
Lisa Tobin

Charles H. Toulmin
Julia Toulmin
Sarah Trebilcock Johnson
Daphne Trotter, Esq.
Rohan Upadhyay
Dustin L. Updike, Ph.D.
Margaret A. Vettese, Ph.D.,
R.N.
Ozzie Watterson
Hook Wheeler
Christopher White
Charles Whitman
Robert T. Whitman
Budd Williams
Mary Kate Worden, Ph.D.
Emily Xu
Leonard I. Zon, M.D.

Chairman's Remarks

Vice-Chair Dr. Edward J. Benz presided and welcomed all those present.

Vice-Chair Benz called the annual meeting of the Corporation to order at 10:00 am and requested a motion to approve the minutes. The motion was made and seconded. With no questions brought forward the motion carried.

COMMITTEE REPORTS

Secretary's Report

Maggy Myers read the following report on behalf of Secretary, Janis L. Coates, PhD.

I am pleased to present the following report on the status of the Corporation:

There are currently 201 members of the Corporation.

Full Members	6
Associate Members	5
Life Full Members	158
Life Associate Members	32

Eight members of the Corporation passed away in the last year:

Life Full Member:

Harriet Schultz, Ph.D.

Life Associate Members:

Ray E. Stanford, M.D.; Dr. James D. Stidham; Robert Cserr, M.D.

Full Member and Former Trustee:

Dr. Richard B. Crawford

Full Members:

Dr. William Dantzler; Hugo R. de Jonge, Ph.D.

Associate Member:

Mr. John P. Reeves

Vice-Chair Benz called for a moment of silence to honor the deceased members.

Vice-Chair Benz thanked Ms. Myers and accepted the Secretary's Report into the record.

Nominating Committee Report

Nominating Committee Chair, Ed Benz, presented the Nominating Committee Report.

The Nominating Committee recommends the following slate of nominees for re-election

to the Board of Trustees:

I. Trustees of the Class of 2027

Edward J. Benz, Jr. M.D.

Thomas A. Boyd, Ph.D.

Alan W. Kornberg, Esq.

Christopher Sighinolfi

Bruce A. Stanton, Ph.D.

Daphne W. Trotter, Esq.

Dr. Benz, asked for a motion to approve the nominees for re-election. The motion was made, seconded, and the motion carried.

II. New Member, Class of 2027

Elizabeth “Betsy” Myers, Ph.D.

Dr. Benz, asked for a motion to elect Betsy Myers. The motion was made, seconded, and the motion carried.

The following slate of nominees is respectfully submitted for the 2023 Nominating Committee:

III. Nominating Committee

Edward Benz, M.D., Chair

Barbara Beltz, Ph.D.

John A. Hays

I. Wistar Morris III

Patricio Silva, M.D.

Daphne W. Trotter, Esq.

Dr. Benz, asked for a motion to approve the Nominating Committee. The motion was made, seconded, and the motion carried.

Treasurer’s Report

Thomas Boyd, Ph.D., Treasurer, presented the Treasurer’s Report to the Corporation.

Financial Position

The Financial Position as of the end of 2022 in comparison with the prior year, 2021, shows:

- 1) The Cash position of the Laboratory amounts to 8 million dollars. This amount decreased during 2022, reflecting use of reserve funds for strategic initiatives.
- 2) Receivables Including Grants increased in 2022 by over \$100-thousand from year-end 2021.

3) Assets held in investment-type accounts decreased by \$1.8 million over year-end 2021. This was mainly due to unrealized decreases in the value of the securities held due to market fluctuations. The Investment Committee, along with Laboratory's outside investment advisor, closely monitors the investment portfolio. The market value of the endowment has recovered approximately \$500,000 as of the end of June 2023, and it contained \$7.9 million dollars at the end of June.

4) Bonds Payable is a main liability category. The Institution continues to pay down the \$5 million dollar bond that helped finance the Morris Laboratory Building in 2007. We make regular principal and interest payments. \$3.35 million in debt remains to be paid off, and there is a schedule for doing this by the year 2036.

5) Other Liabilities increased by \$470-thousand from year-end 2021. This was influenced by the receipt of a large deferred grant, to be spent in a future period.

Considering Total Assets and Total Liabilities, Assets continue to exceed Liabilities by a significant amount. Net Assets are positive and encompass Assets with Donor Restrictions and Assets without Donor Restrictions. Total Net Assets amounted to \$25 million at year-end 2022, a decrease of \$4.2 million from the prior year.

Net Assets

The \$25 million in Net Assets are distributed among 49 different Categories or Funds. The largest category is Plant Assets, which is land and buildings. The General Unrestricted Funds, the Reserve Funds, and the Plant Assets do not have restrictions. Other funds may be restricted by the donor for specific purposes. The Institution may use all or a portion of the investment income that these restricted funds earn.

Reserve funds decreased \$2.7 million from prior year due to operations and the initiation of expenditures on strategic plan initiatives.

In addition to the funds listed above, the Maine Community Foundation manages the Salisbury Cove Research Fund, established by Tom Maren and The Maren Foundation. Funds are made available each year, and we thank them for their ongoing support of the MDI Biological Laboratory.

Summary of Activities

The Statement of Activities for the year 2022 include Operating Support & Revenue as well as Operating Expenses. The activities are classified as those with or without Donor Restrictions.

Total Operating Support & Revenue in 2022 was \$12.3 million. Total Operating Expenses were \$15.2 million. This resulted in a decrease in Net Assets \$3 million from the prior year due to Operations.

The Non-Operating Net Assets experienced a negative change of \$1.2 million in 2022. This was primarily driven by a large reduction in unrealized investment portfolio values due to the market downturn in 2022, and it was partly offset by the receipt of almost \$900-thousand in grants and gifts for capital purposes.

In summary, in 2022, Total Net Assets from combined Operating and Non-Operating activities decreased by \$4.2 million during the year, but at year end the Laboratory continued to have a positive Net Asset balance of approximately \$25 million.

Operating Expenses

Total Operating Expenses were \$15.2 million in 2022. *If we exclude \$1.3 million in non-cash depreciation*, Operating Cash Needs amounted to \$13.9 million for the year.

Of these operating cash expenses, 75% (or \$10.4 million) was for the combined Research and Educational Programs at MDIBL. This also includes monetary distributions to other institutions throughout the state of Maine through the IDeA Networks of Biomedical Research Excellence or “INBRE” program.

20% of expenses were for Management & General – these are the costs necessary for the operation of the organization and its INBRE program, such as Administration, accounting, budgeting, legal, insurance, safety, public relations, grant reporting, and compliance.

5% was for fundraising activities for the purpose of obtaining contributions to support the institution, its mission, and programs.

Funding for Operating Expenses

The institution covered the \$13.9 Million in operating cash expenses for fiscal year 2022 as follows:

60% came in the form of Federal Grants, Contracts, and Subawards. Breaking that out, 40% of the funding that covered total operating expenses went to the MDI Biological Laboratory, and 20% (over \$2.8 Million) was distributed to institutions that collaborate with our faculty and colleges and universities within the state of Maine through the INBRE program.

As in previous years, we highlight two federal grants from the National Institutes of Health that continue to provide major support to the institution:

1. The INBRE grant brings \$1.5 million to the institution and \$2.3 million to subawards annually. 2022 marked the 4th year of a 5-year award cycle, and under the leadership of Dr. Jim Coffman, the MDI Biological Laboratory just submitted a renewal application in June. The INBRE program is currently in its 23rd year.
2. The other major federal grant to the Laboratory is the COBRE grant (COBRE stand for Centers of Biomedical Research Excellence). This provides \$2.2 million annually to support faculty and core service facilities (like our animal model facility). 2022 was year

five of a 5-year award cycle. The Laboratory is currently in a one-year extension and under the leadership of Dr. Iain Drummond, and we will submit the application for Phase 3 this fall.

Strategic Plan

Claudine Lurvey gave an overview of the financial impact of MDIBL's strategic plan.

In addition to strengthening MDIBL's programs, reach, and scientific excellence, this plan aims to increase infrastructure and support so that we can achieve a critical mass of scientists and ensure long-term financial sustainability.

Sustainability includes not only maintaining a world class scientific community but also eliminating the annual operating deficit that the Laboratory has been encountering for the past several years while maintaining a positive cash position.

The Strategic Plan Financial model shown depicts the current Operating Budget Deficit as it transitions to a Surplus. MDIBL will be watching the cash reserves available closely as we move forward. It will be a bumpy ride, and we have pledged to adhere to a list of guiding principles to execute this plan, which include:

- guardrails to restrict spending for new initiatives
- cash balance requirements, and
- close monitoring by the Board of Trustees

Vice-Chair Benz thanked Mr. Boyd and accepted the Treasurer's Report into the record.

Audit Committee Report

Daphne Trotter, Esq., presented the Audit & Risk Committee Report. The MDI Biological Laboratory Audit & Risk Committee met with Annette Gould, the auditor from HVM, LLC on Monday, July 24, 2023. With respect to HVM's audit of MDIBL's financial statements for 2022, Ms. Gould stated that MDIBL received an *unqualified* opinion with no material weaknesses noted. In other words, it was a clean audit. In the auditor's written opinion dated July 14, 2023, the financial statements as of December 31, 2022 represent MDIBL's financial position, changes to net assets, and cash flows fairly in all material respects in accordance with accounting principles generally accepting in the United States.

Vice-Chair Benz thanked Ms. Trotter and accepted the Audit Committee Report into the record.

Vice-Chair Benz adjourned the business portion of the meeting. He introduced President of the lab, Hermann Haller.

President's Report

Dr. Haller presented Building the Future of MDIBL. The goal is to make the lab sustainable over the next five years. What links the past to the present is the Spirit of MDIBL, which includes exploring the unknown, academic freedom, excellence in research, advanced technology,

scientific community, and educating the next generation. MDIBL Research currently has 10 research groups with the goal to add 5 more with the next COBRE. Strategic Financial Planning includes Grants, Fundraising and Endowment. The programs that will bring the people and researchers are the Graduate/Postdoc Program, Visiting Scientist Program, INBRE and Courses/Conferences. MDI Bioscience was added in 2022 to open up our research to biotech and pharmaceuticals through partnerships. Lastly, bringing the worlds of Science and Art together as branches from the same tree.

Fundraising Report

Dr. Benz introduced Jerilyn Bowers, Director of Development. Ms. Bowers presented Fueling Discovery: Preparing for the next 125 years. The financial plan includes \$2M for the New Venture to Expedite Drug Discovery, \$8M for World Class Education and Training, \$15M for a Better Campus for a Brighter Future and \$20M for Supporting Outstanding Science. It is anticipated we will raise the total package of \$45M over the next five years. We are about 30% of the way there with \$10.5M in current cash and pledges and \$4.2M in anticipated commitments for 2023, leaving \$30.3M remaining. Reasons for optimism are our enduring legacy, cutting edge science, outstanding leadership and dedicated community and benefactors. Ms. Bowers invited everyone to take the plunge with us and introduced the 125th anniversary video.

Closing Remarks

Vice-Chair Benz invited everyone to join him in making MDIBL their top fundraising priority. He thanked Clare Stone, acknowledging her four terms of service as a Trustee.

Vice-Chair Benz adjourned the 2023 MDI Biological Laboratory Annual Meeting at 12:21 pm EST.