

**SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH**

Single Audit Reports

For the Year Ended September 30, 2022

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**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 the Board of Directors  
Seattle Institute for Biomedical and Clinical Research  
Seattle, Washington**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Seattle Institute for Biomedical & Clinical Research (the Institute), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses, and cash flow for the year then ended, and the related notes to the financial statements, which collectively comprise the Institute's basic financial statements, and have issued our report thereon dated March 28, 2023.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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



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## **REPORT ON COMPLIANCE AND OTHER MATTERS**

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

## **PURPOSE OF THIS REPORT**

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

Clark Nuber P.S.

Certified Public Accountants  
March 28, 2023

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

**Independent Auditor's Report**

**To the Board of Directors  
Seattle Institute for Biomedical and Clinical Research  
Seattle, Washington**

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

**Opinion on Each Major Federal Program**

We have audited Seattle Institute for Biomedical & Clinical Research's (the Institute's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Institute's major federal programs for the year ended September 30, 2022. The Institute's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Institute complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

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

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

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

**Responsibilities of Management for Compliance**

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



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

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

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

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

## **REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

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

Our 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

## **REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

We have audited the financial statements of the Institute as of and for the year ended September 30, 2022, and have issued our report thereon dated March 28, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Clark Nuber P.S.*

Certified Public Accountants  
March 28, 2023

**SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH**

**Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2022**

Federal Grantor/Program Title/Pass-Through Grantor	Federal Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>Research and Development Cluster</b>				
<b>Department of Defense:</b>				
Military Medical Research and Development- Direct Award	12.420		\$ 233,890	\$ 1,903,694
Passed through Florida State University	12.420	W81XWH-16-2-0003		51,775
Passed through SRI International	12.420	W81XWH-21-1-0461		16,588
Passed through Seattle Children's Research Institute	12.420	W81XWH-20-1-0299		69,396
Passed through the University of Washington	12.420	W81XWH-20-1-0784		40,421
Passed through Ocean State Research Institute	12.420	W81XWH-19-1-0800		23,305
Passed through Gryphon	12.420	W81XWH-21-1-0469		91,155
Passed through Baylor College of Medicine	12.420	W81XWH-21-1-0450		25,273
Passed through HMJ Foundation	12.420	W81XWH-21-2-0049		41,975
<b>Total Department of Defense/ALN 12.420</b>			<b>233,890</b>	<b>2,263,582</b>
<b>Department of Health and Human Services:</b>				
National Institute of Health- Environmental Health: Passed through the University of Washington	93.113	R21 ES029657		81,252
Mental Health Research Grants- Direct Award	93.242		126,960	542,475
Passed through the University of Washington	93.242	R33 MH118160		45,091
<b>Total for ALN 93.242</b>			<b>126,960</b>	<b>587,566</b>
Alcohol Research Grant- Direct Award	93.273		12,990	156,724
Drug Abuse and Addiction Research- Direct Award	93.279		7,027	329,912
Passed through Research Foundation for Mental Hygiene	93.279	1 R01 DA048860		167,480
Passed through the University of New Mexico	93.279	UG3 DA051241		107,279
Passed through MWRIF	93.279	R01 DA051674		69,344
Passed through University of Washington	93.279	3UG 1DA013714		51,058
Passed through University of Washington	93.279	1K99 DA052571		18,161
<b>Total for ALN 93.279</b>			<b>7,027</b>	<b>743,234</b>
Trans-NIH Research Support- Passed through Palo Alto Veterans Institute for Research	93.310	AOD17037		290,494
Cancer Cause and Prevention Research- Direct Award	93.393		741,871	1,060,593
Cancer Detection and Diagnosis Research- Direct Award	93.394			28,814
Passed through OHSU	93.394	U10 CA180888		2,500
Passed through Fred Hutchinson Cancer Research Center	93.394	U01CA224255		36,661
Passed through Fred Hutchinson Cancer Research Center	93.394	R01 CA184075		37,067
<b>Total for ALN 93.394</b>				<b>105,042</b>

See independent auditor's report and notes to schedule of expenditures of federal awards.



**SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH**

**Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended September 30, 2022**

Federal Grantor/Program Title/Pass-Through Grantor	Federal Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Cancer Treatment Research- Passed through Fred Hutchinson Cancer Research Center	93.395	R01 CA223674		6,309
Cancer Biology Research- Passed through Thomas Jefferson University	93.396	R01 CA244749		78,723
Translation and Implementation Science Research for Heart, Lung, Blood Diseases and Sleep Disorders- Direct Award	93.840		73,167	776,405
Arthritis, Musculoskeletal and Skin Diseases Research- Direct Award	93.846		90,961	583,268
Passed through Johns Hopkins University	93.846	5UH 3AR077360		20,362
<b>Total for ALN 93.846</b>			<u>90,961</u>	<u>603,630</u>
Diabetes, Digestive, and Kidney Diseases Extramural Research- Direct Award	93.847		181,839	1,158,790
Passed through the University of Washington	93.847	P30 DK017047		104,147
Passed through the University of Washington	93.847	5P01 DK043881		16,560
Passed through the University of Washington	93.847	P30 DK089507		12,970
Passed through the University of Washington	93.847	P30 DK017047		84,359
Passed through George Washington University	93.847	5 U01 DK098246		143,688
Passed through Augusta University	93.847	5U24DK115255		43,567
<b>Total for ALN 93.847</b>			<u>181,839</u>	<u>1,564,081</u>
Extramural Research Programs in the Neurosciences and Neurological Disorders- Direct Award	93.853		84,340	836,059
Passed through the Cleveland Clinic	93.853	U01 NS100610		78,450
Passed through the Mayo Clinic, Jacksonville, Florida	93.853	5U01NS080168		5,565
Passed through Boston University	93.853	U01 NS093334		199,809
<b>Total for ALN 93.853</b>			<u>84,340</u>	<u>1,119,883</u>
Child Health and Human Development Extramural Research- Direct Award	93.865			107,433
Passed through UNC Chapel Hill	93.865	5P50 HD103573		10,391
Passed through University of Pittsburgh	93.865	R01HD103286		5,225
<b>Total for ALN 93.865</b>				<u>123,049</u>
Aging Research- Direct Award	93.866		1,001,920	3,464,726
Passed through the University of Washington	93.866	T32 AG052354		39,404
Passed through the University of Washington	93.866	RF1 AG068406		16,909
Passed through the University of Washington	93.866	P30AG066509		38,233
Passed through the University of Washington	93.866	5R01 AG069960		102,696
Passed through Boston University	93.866	3R01 AG048927		43,109
Passed through Loma Linda	93.866	R01AG057658		16,634
Passed through Columbia University	93.866	U24 AG056270		98,841
Passed through the University of California, San Diego	93.866	5 U19 AG10483		28,140
Passed through George Washington University	93.866	U19 AG078558		5,238
Passed through the University of Southern California	93.866	R01 AG061848		5,000
Passed through the University of Southern California	93.866	R01AG063689		28,625
Passed through the University of Southern California	93.866	U24AG057437		152,146
Passed through the University of Southern California	93.866	R01 AH53798		17,124
Passed through Wake Forest University	93.866	R01 AG058571		11,800
<b>Total for ALN 93.866</b>			<u>1,001,920</u>	<u>4,068,625</u>
<b>Total Department of Health and Human Services/ National Institute of Health</b>			<u>2,321,075</u>	<u>11,365,610</u>
<b>Total Research and Development Cluster/Total Federal Expenditures</b>			<u>\$ 2,554,965</u>	<u>\$ 13,629,192</u>

See independent auditor's report and notes to schedule of expenditures of federal awards.

## SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH

### Notes to Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2022

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#### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Seattle Institute for Biomedical and Clinical Research (the Institute) under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Institute, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Institute.

#### **Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Institute has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH

Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2022

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Section I - Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

- Material weaknesses identified?  Yes  No
- Significant deficiencies identified?  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 2 CFR 200.156(a)?  Yes  No

**Identification of Major Programs**

<u>Federal Assistance Listing Numbers</u>			<u>Name of Federal Program or Cluster</u>
12.420	93.310	93.840	Research and Development Cluster
93.113	93.393	93.846	
93.242	93.394	93.847	
93.273	93.395	93.853	
93.279	93.396	93.865	
		93.866	

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  Yes  No

**SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH**

**Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended September 30, 2022**

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**Section II - Reportable Financial Statement Findings**

No matters were reported.

**Section III - Reportable Findings and Questioned Costs for Federal Awards**

No matters were reported.