

**SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH**

Single Audit Reports

For the Year Ended September 30, 2021

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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 and Clinical Research (the Institute), which comprise the statement of financial position as of September 30, 2021 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 22, 2022.

**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 may exist that have not been identified.



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

Clark Nuber P.S.

Certified Public Accountants  
March 22, 2022

**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**

We have audited Seattle Institute for Biomedical and Clinical Research's (the Institute's) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (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, 2021. 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.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Institute's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Institute's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Institute's compliance.



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## Opinion on Each Major Federal Program

In our opinion, the Institute complied, in all material respects, with the types of 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, 2021.

## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the Institute is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Institute's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Institute's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, 2021, and have issued our report thereon dated March 22, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted 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 expenditure 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 22, 2022

**SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH**

**Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2021**

| 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-<br>Direct Award   | 12.420                                  |  | \$ 296,726                      | \$ 2,176,764               |
| Passed through Florida State University                      | 12.420                                  | W81XWH-16-2-0003                       |                                 | 27,875                     |
| Passed through Narrows Biomedical Research & Education, Inc. | 12.420                                  | W81XWH-17-2-0014                       |                                 | 14,538                     |
| Passed through Seattle Children's Research Institute         | 12.420                                  | W81XWH-20-1-0299                       |                                 | 82,071                     |
| Passed through the University of Washington                  | 12.420                                  | W81XWH-20-1-0784                       |                                 | 33,821                     |
| Passed through Ocean State Research Institute                | 12.420                                  | W81XWH-19-1-0800                       |                                 | 4,466                      |
| <b>Total Department of Defense/ALN 12.420</b>                |   |  | <b>296,726</b>                  | <b>2,339,535</b>           |
| <b>Department of Health and Human Services:</b>              |   |  |                                 |                            |
| National Institute of Health-                                |   |  |                                 |                            |
| Environmental Health:  |   |  |                                 |                            |
| Direct Award   | 93.113                                  |  |                                 | 117,775                    |
| Passed through the University of Washington                  | 93.113                                  | 1 R01 ES026187                         |                                 | 110,523                    |
| Total for ALN 93.113   |   |  |                                 | 228,298                    |
| Mental Health Research Grants-                               |   |  |                                 |                            |
| Direct Award   | 93.242                                  |  | 24,421                          | 703,565                    |
| Passed through the University of Washington                  | 93.242                                  | R33 MH118160                           |                                 | 33,381                     |
| Total for ALN 93.242   |   |  | 24,421                          | 736,946                    |
| Drug Abuse and Addiction Research-                           |   |  |                                 |                            |
| Passed through Research Foundation for Mental Hygiene        | 93.279                                  | 1 R01 DA048860                         |                                 | 159,795                    |
| Passed through the University of New Mexico                  | 93.279                                  | UG3 DA051241                           |                                 | 37,988                     |
| Passed through Kaiser Foundation                             | 93.279                                  | 2UG1 DA040314                          |                                 | 7,838                      |
| Total for ALN 93.279   |   |  |                                 | 205,621                    |
| Trans-NIH Research Support-                                  |   |  |                                 |                            |
| Passed through Palo Alto Veterans Institute for Research     | 93.310                                  | AOD17037                               |                                 | 84,618                     |
| Cancer Cause and Prevention Research-                        |   |  |                                 |                            |
| Direct Award   | 93.393                                  |  | 641,415                         | 936,764                    |
| Cancer Detection and Diagnosis Research-                     |   |  |                                 |                            |
| Direct Award   | 93.394                                  |  |                                 | 89,474                     |
| Passed through Fred Hutchinson Cancer Research Center        | 93.394                                  | U01CA224255                            |                                 | 46,354                     |
| Passed through Fred Hutchinson Cancer Research Center        | 93.394                                  | R01 CA184075                           |                                 | 18,854                     |
| Total for ALN 93.394   |   |  |                                 | 154,682                    |
| Cancer Treatment Research-                                   |   |  |                                 |                            |
| Passed through Fred Hutchinson Cancer Research Center        | 93.395                                  | R01 CA223674                           |                                 | 44,445                     |
| Cancer Biology Research-                                     |   |  |                                 |                            |
| Passed through Thomas Jefferson University                   | 93.396                                  | R01 CA244749                           |                                 | 134,204                    |

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, 2021**

| Federal Grantor/Program Title/Pass-Through Grantor  | Federal Assistance Listing Number (ALN) | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures |
|---|---|--|---------------------------------|----------------------------|
| Lung Diseases Research-<br>Passed through the COPD Foundation   | 93.838                                  | U01 HL128954                           |                                 | 10,480                     |
| Translation and Implementation Science Research for Heart,<br>Lung, Blood Diseases and Sleep Disorders-<br>Direct Award | 93.840                                  |  | 67,036                          | 569,060                    |
| Arthritis, Musculoskeletal and Skin Diseases Research-<br>Direct Award  | 93.846                                  |  | 83,461                          | 184,531                    |
| Diabetes, Digestive, and Kidney Diseases Extramural Research-<br>Direct Award   | 93.847                                  |  | 194,978                         | 1,358,402                  |
| Passed through the University of Washington   | 93.847                                  | P30 DK017047                           |                                 | 47,358                     |
| Passed through the University of Washington   | 93.847                                  | 5P01 DK043881                          |                                 | 16,135                     |
| Passed through the University of Washington   | 93.847                                  | P30 DK089507                           |                                 | 15,083                     |
| Passed through George Washington University   | 93.847                                  | 5 U01 DK098246                         |                                 | 394,484                    |
| Passed through George Washington University   | 93.847                                  | R01 DK104845                           |                                 | 131                        |
| Passed through Baylor College of Medicine   | 93.847                                  | 1 RO1 DK104832                         |                                 | 56,994                     |
| Total for ALN 93.847  |   |  | 194,978                         | 1,888,588                  |
| Extramural Research Programs in the Neurosciences and<br>Neurological Disorders-<br>Direct Award                        | 93.853                                  |  | 44,142                          | 514,023                    |
| Passed through the University of Cincinnati   | 93.853                                  | U01NS095869                            |                                 | 108                        |
| Passed through the Cleveland Clinic   | 93.853                                  | U01 NS100610                           |                                 | 38,800                     |
| Passed through the Mayo Clinic, Jacksonville, Florida   | 93.853                                  | 5U01NS080168                           |                                 | 14,530                     |
| Passed through Boston University  | 93.853                                  | U01 NS093334                           |                                 | 351,406                    |
| Total for ALN 93.853  |   |  | 44,142                          | 918,867                    |
| Child Health and Human Development Extramural Research-<br>Direct Award   | 93.865                                  |  |                                 | 755                        |
| Passed through Baylor College of Medicine   | 93.865                                  | 1R21HD097776                           |                                 | 2,803                      |
| Passed through University of Pittsburgh   | 93.865                                  | R01HD103286                            |                                 | 17,730                     |
| Total for ALN 93.865  |   |  |                                 | 21,288                     |
| Aging Research-<br>Direct Award   | 93.866                                  |  | 784,295                         | 3,305,256                  |
| Passed through the University of Washington   | 93.866                                  | T32 AG052354                           |                                 | 27,340                     |
| Passed through the University of Washington   | 93.866                                  | RF1 AG068406                           |                                 | 13,177                     |
| Passed through the University of Washington   | 93.866                                  | P30AG066509                            |                                 | 56,953                     |
| Passed through Loma Linda   | 93.866                                  | R01AG057658                            |                                 | 81,597                     |
| Passed through Columbia University  | 93.866                                  | U24 AG056270                           |                                 | 92,940                     |
| Passed through the University of California, San Diego  | 93.866                                  | 5 U19 AG10483                          |                                 | 140,996                    |
| Passed through the University of Pennsylvania   | 93.866                                  | 5 PO1 AG017586                         |                                 | 6,328                      |
| Passed through the University of Southern California  | 93.866                                  | R01AG063689                            |                                 | 7,200                      |
| Passed through the University of Southern California  | 93.866                                  | U24AG057437                            |                                 | 162,539                    |
| Passed through the University of Southern California  | 93.866                                  | R01 AH53798                            |                                 | 15,637                     |
| Passed through Wake Forest University   | 93.866                                  | R01 AG058571                           |                                 | 31,638                     |
| Total for ALN 93.866  |   |  | 784,295                         | 3,941,601                  |
| <b>Total Department of Health and Human Services/<br/>National Institute of Health</b>                                  |   |  | <b>1,839,748</b>                | <b>10,059,993</b>          |
| <b>Total Research and Development Cluster/Total Federal Expenditures</b>  |   |  | <b>\$ 2,136,474</b>             | <b>\$ 12,399,528</b>       |

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, 2021

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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, 2021. 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, 2021

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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                                    | 93.393 | 93.840 | Research and Development Cluster          |
| 93.113                                    | 93.394 | 93.846 |   |
| 93.242                                    | 93.395 | 93.847 |   |
| 93.279                                    | 93.396 | 93.853 |   |
| 93.310                                    | 93.838 | 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, 2021**

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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.