

**SEATTLE INSTITUTE FOR BIOMEDICAL
AND CLINICAL RESEARCH**

Single Audit Reports

For the Year Ended September 30, 2023

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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, 2023, 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 26, 2024.

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.



T: 425-454-4919
T: 800-504-8747
F: 425-454-4620

10900 NE 4th St
Suite 1400
Bellevue WA
98004

clarknuber.com

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 26, 2024

**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, 2023. 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, 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* (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.



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F: 425-454-4620

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Suite 1400
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98004

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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.

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, 2023, and have issued our report thereon dated March 26, 2024, 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 26, 2024

SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH

**Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023**

Federal Grantor/Program Title/Pass-Through Grantor	Federal Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Research and Development Cluster				
Department of Defense:				
Military Medical Research and Development- Direct Award	12.420		\$ 259,852	\$ 1,558,684
Passed through Seattle Children's Research Institute	12.420	W81XWH-20-1-0299		74,168
Passed through the University of Washington	12.420	W81XWH-20-1-0784		32,229
Passed through the University of Washington	12.420	W81XWH-21-1-0271		1,662
Passed through the University of Washington	12.420	FP00013312_SA002		23,546
Passed through Alpha Cognition	12.420	HT94252310552		82,033
Passed through Gryphon	12.420	W81XWH-21-1-0469		133,149
Passed through Baylor College of Medicine	12.420	W81XWH-21-1-0450		126,718
Passed through HMJ Foundation	12.420	W81XWH-21-2-0049		104,555
Total Department of Defense/ALN 12.420			259,852	2,136,744
Department of Health and Human Services:				
National Institute of Health- Environmental Health: Passed through the University of Washington	93.113	R21 ES029657		82,203
Complimentary and Integrative Health- Passed through the University of Washington	93.213	R01AT011012		60,037
Mental Health Research Grants- Direct Award	93.242		89,900	345,094
Passed through the University of Washington	93.242	R33 MH118160		36,717
Total for ALN 93.242			89,900	381,811
Alcohol Research Grant- Direct Award	93.273		14,220	200,802
Passed through the Research Foundation for Mental Hygiene	93.273	R21AA029153		29,593
Total for ALN 93.273			14,220	230,395
Drug Abuse and Addiction Research- Direct Award	93.279		29,798	450,238
Passed through Research Foundation for Mental Hygiene	93.279	1 R01 DA048860		159,527
Passed through the University of New Mexico	93.279	UG3 DA051241		196,155
Passed through MWRIF	93.279	R01 DA051674		42,680
Passed through University of Washington	93.279	3UG 1DA013714		5,682
Passed through University of Washington	93.279	1K99 DA052571		26,408
Total for ALN 93.279			29,798	880,690
Trans-NIH Research Support- Passed through Palo Alto Veterans Institute for Research	93.310	AOD17037		248,918
Cancer Cause and Prevention Research- Direct Award	93.393		692,982	929,833
Cancer Detection and Diagnosis Research- Passed through Fred Hutchinson Cancer Research Center	93.394	U01CA224255		53,122
Passed through Thomas Jefferson University	93.396	R01 CA244749		121,100

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, 2023**

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 Detection and Diagnosis Research- Passed through Fred Hutchinson Cancer Research Center	93.397	P50CA097186		6,130
Translation and Implementation Science Research for Heart, Lung, Blood Diseases and Sleep Disorders- Direct Award	93.840		40,904	673,004
Arthritis, Musculoskeletal and Skin Diseases Research- Direct Award	93.846		110,090	463,249
Diabetes, Digestive, and Kidney Diseases Extramural Research- Direct Award	93.847		139,508	868,516
Passed through the University of Washington	93.847	P30 DK017047		217,167
Passed through the University of Washington	93.847	5P01 DK043881		18,076
Passed through George Washington University	93.847	5 U01 DK098246		144,293
Passed through Augusta University	93.847	5U24DK115255		5,412
Total for ALN 93.847			139,508	1,253,464
Extramural Research Programs in the Neurosciences and Neurological Disorders- Direct Award	93.853		284,922	1,948,404
Passed through John Hopkins University	93.853	R01NS127344		4,648
Passed through the Cleveland Clinic	93.853	U01 NS100610		110,702
Passed through the Mayo Clinic, Jacksonville, Florida	93.853	5U01NS080168		6,370
Passed through Boston University	93.853	U01 NS093334		81,954
Total for ALN 93.853			284,922	2,152,078
Child Health and Human Development Extramural Research- Passed through UNC Chapel Hill	93.865	5P50 HD103573		6,221
Passed through University of Pittsburgh	93.865	R01HD103286		9,488
Total for ALN 93.865				15,709
Aging Research- Direct Award	93.866		1,084,703	2,916,056
Passed through the University of Washington	93.866	T32 AG052354		28,295
Passed through the University of Washington	93.866	RF1 AG068406		18,562
Passed through the University of Washington	93.866	P30AG066509		14,423
Passed through the University of Washington	93.866	5R01 AG069960		147,590
Passed through Boston University	93.866	3R01 AG048927		85,123
Passed through Loma Linda	93.866	R01AG057658		776
Passed through Columbia University	93.866	U24 AG056270		57,155
Passed through George Washington University	93.866	U19 AG078558		321,534
Passed through the University of Southern California	93.866	R01 AG061848		1,250
Passed through the University of Southern California	93.866	R01AG063689		49,575
Passed through the University of Southern California	93.866	U24AG057437		131,575
Passed through the University of Southern California	93.866	R01 AH53798		31,516
Total for ALN 93.866			1,084,703	3,803,430
Total Department of Health and Human Services/ National Institute of Health			2,487,028	11,355,173
Total Research and Development Cluster/Total Federal Expenditures			\$ 2,746,881	\$ 13,491,917

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, 2023

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, 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* (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 (Continued)
For the Year Ended September 30, 2023**

Section II - Reportable Financial Statement Findings

No matters were reported.

Section III - Reportable Findings and Questioned Costs for Federal Awards

No matters were reported.