

**SEATTLE INSTITUTE FOR BIOMEDICAL
AND CLINICAL RESEARCH**

Financial Statements

For the Year Ended September 30, 2024

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Independent Auditor's Report

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Seattle Institute for Biomedical and Clinical Research (the Institute), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as of September 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Audit of the Financial Statements section of our report. We are required to be independent of the Institute and to meet our other ethical responsibilities, in accordance with the 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 audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 an audit 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 an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Institute'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute'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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Institute's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 26, 2024. In our opinion, the summarized comparative information, presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025 on our consideration of the Institute's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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 the Institute's 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 the Institute's internal control over financial reporting and compliance.

Clark Nuber P.S.

Certified Public Accountants
March 25, 2025

SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH

Statement of Financial Position
September 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 2,296,535	\$ 3,597,896
Accounts and grants receivable	6,147,377	4,569,833
Interest receivable	107,731	93,279
Prepaid expenses and deposits	79,303	40,834
Total Current Assets	8,630,946	8,301,842
Research equipment, net of accumulated depreciation of \$1,705,028 (\$1,502,889 for 2023)	722,113	630,288
Leasehold improvements, net of accumulated amortization of \$35,018 (\$62,320 for 2023)	9,685	18,626
Right-of-use asset	125,954	196,799
Investments	12,096,299	9,772,349
Total Assets	\$ 21,584,997	\$ 18,919,904
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 2,977,556	\$ 1,644,373
Accrued liabilities	1,272,720	1,171,987
Current portion of operating lease liability	94,949	84,461
Deferred revenue	3,051,686	2,757,687
Total Current Liabilities	7,396,911	5,658,508
Long-term portion of operating lease liability	59,411	154,360
Total Liabilities	7,456,322	5,812,868
Net Assets:		
Without donor restrictions	13,558,829	12,468,046
With donor restrictions	569,846	638,990
Total Net Assets	14,128,675	13,107,036
Total Liabilities and Net Assets	\$ 21,584,997	\$ 18,919,904

See accompanying notes.

SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH

Statement of Activities For the Year Ended September 30, 2024 (With Comparative Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Operating				
Support, Revenue and Reclassifications:				
Grants and contributions - private	\$ 6,134,402	\$ 384,186	\$ 6,518,588	\$ 3,944,001
Grants and contracts - government	17,333,255		17,333,255	14,605,126
Inter-institutional agreements	2,412,264		2,412,264	2,041,351
Investment income	554,590		554,590	269,780
	26,434,511	384,186	26,818,697	20,860,258
Net assets released from program restrictions	453,330	(453,330)		
Total Support, Revenue and Reclassifications	26,887,841	(69,144)	26,818,697	20,860,258
Expenses:				
Program-				
Research	21,545,820		21,545,820	15,801,189
Research and development support	1,404,463		1,404,463	1,164,746
Total program	22,950,283		22,950,283	16,965,935
Supporting services-				
Management, general and administrative	3,018,242		3,018,242	2,772,255
Total Expenses	25,968,525		25,968,525	19,738,190
Change in Net Assets From Operations	919,316	(69,144)	850,172	1,122,068
Other Changes in Net Assets:				
Unrealized gain on investments, net	171,467		171,467	92,718
Gain on sale of fixed assets				9,356
Total Other Changes in Net Assets	171,467		171,467	102,074
Total Change in Net Assets	1,090,783	(69,144)	1,021,639	1,224,142
Net assets, beginning of year	12,468,046	638,990	13,107,036	11,882,894
Net Assets, End of Year	\$ 13,558,829	\$ 569,846	\$ 14,128,675	\$ 13,107,036

See accompanying notes.

SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH

**Statement of Functional Expenses
For the Year Ended September 30, 2024
(With Comparative Totals for 2023)**

	Research	Research and Development Support	Total Program	Management, General and Administrative	2024 Total	2023 Total
Personnel	\$ 8,706,348	\$ 857,226	\$ 9,563,574	\$ 2,220,779	\$ 11,784,353	\$ 10,093,082
Subcontracts	6,767,537		6,767,537		6,767,537	3,516,716
Inter-institutional agreements	3,567,130	10,724	3,577,854	186,727	3,764,581	3,029,085
Supplies	2,138,137	142,535	2,280,672	32,462	2,313,134	1,704,906
Small equipment	73,311	92,660	165,971	80,685	246,656	233,606
Professional fees	77,156	4,797	81,953	157,707	239,660	267,135
Depreciation and amortization		202,139	202,139	8,941	211,080	217,747
Travel	115,232	53,333	168,565	10,333	178,898	179,745
Facilities				133,039	133,039	127,091
Printing, publications and postage	53,813	9,310	63,123	4,501	67,624	65,691
Insurance	344	1,372	1,716	63,384	65,100	66,415
Dues and subscriptions		5,474	5,474	42,009	47,483	68,011
Conferences and meetings	17,370	15,569	32,939	3,774	36,713	43,862
Equipment rental and repair	15,651	2,193	17,844	16,878	34,722	48,903
Staff development and training	2,393	3,541	5,934	26,069	32,003	24,990
Telecommunications	2,599		2,599	26,441	29,040	26,958
Advertising	8,799	437	9,236		9,236	17,939
Licenses, permits, fees and taxes		3,153	3,153	4,513	7,666	6,308
Total Expenses	\$ 21,545,820	\$ 1,404,463	\$ 22,950,283	\$ 3,018,242	\$ 25,968,525	\$ 19,738,190

See accompanying notes.

SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH

Statement of Cash Flows
For the Year Ended September 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 1,021,639	\$ 1,224,142
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Depreciation and amortization	211,080	217,747
Unrealized gain on investments	(171,467)	(92,718)
Gain on sale of fixed assets		(9,356)
Changes in current assets and liabilities:		
Accounts and grants receivable	(1,577,544)	(85,207)
Interest receivable	(14,452)	(79,003)
Prepaid expenses and deposits	(38,469)	28,139
Accounts payable and accrued liabilities	1,433,916	528,009
Deferred rent		(53,372)
Operating lease liabilities, net of right-of-use assets	(13,616)	42,022
Deferred revenue	293,999	297,512
	<u>123,447</u>	<u>793,773</u>
Total adjustments	123,447	793,773
Net Cash Provided by Operating Activities	1,145,086	2,017,915
Cash Flows From Investing Activities:		
Payments for research equipment	(293,964)	(118,809)
Proceeds from maturity of investments	5,820,000	8,330,000
Purchases of investments	(7,972,483)	(9,610,000)
	<u>(2,446,447)</u>	<u>(1,398,809)</u>
Net Cash Used in Investing Activities	(2,446,447)	(1,398,809)
Net Change in Cash and Cash Equivalents	(1,301,361)	619,106
Cash and cash equivalents, beginning of year	<u>3,597,896</u>	<u>2,978,790</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,296,535</u>	<u>\$ 3,597,896</u>

See accompanying notes.

SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH

Notes to Financial Statements For the Year Ended September 30, 2024

Note 1 - Operations and Summary of Significant Accounting Policies

Operations - Seattle Institute for Biomedical and Clinical Research (the Institute) is a nonprofit organization incorporated in 1989 to provide a flexible funding mechanism for the conduct of biomedical and clinical research and educational activities in conjunction with the Veterans Affairs Puget Sound Health Care System (the VAPSHCS) Seattle and American Lake Divisions (formerly the Veterans Affairs Medical Center), the Mann-Grandstaff VA Medical Center (the MGVAMC) Spokane and other similarly qualified organizations. The Director, Chief of Staff, Associate Chief of Staff for Research and Development, and Associate Chief of Staff for Education of the VAPSHCS also serve as directors for the Institute.

Basis of Presentation - Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Institute and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Institute and/or the passage of time. As of September 30, 2024, net assets with donor restrictions of \$569,846 are available for research related purposes.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Grants and Contributions - To ensure observance of limitations placed on the expenditure of grant funds and contributions, the Institute tracks the activity for each grant award or other funding source. Although many of the funding sources have specific limitations that require separate accountability, all grant funding and other revenue sources support common research activities when viewed in total. Accordingly, for financial reporting purposes, expenses relating to grant awards and other support and revenue are combined and reported as a single activity having a common purpose and goal. The Institute had grants and contributions receivable of \$4,099,705 due within one year, which is included in accounts and grants receivable at September 30, 2024.

The Institute recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give are not recognized as revenues until the conditions on which they depend have been met. Various contracts and grants, including governmental contracts and grants, are conditioned upon certain performance requirements and the incurrence of allowable expenses. Consequently, at September 30, 2024, conditional contributions approximating \$45,322,755, of which \$3,003,000 has been received in advance and recorded as deferred revenue on the statement of financial position, have not been recognized as revenue in the accompanying financial statements.

SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH

Notes to Financial Statements For the Year Ended September 30, 2024

Note 1 - Continued

Government Contracts - Revenue from contracts with customers represents revenue earned under a Department of Defense (DOD) firm fixed price contract, for which the Institute is performing research services in exchange for compensation. Revenue from this contract is recorded in government grants and contracts on the statement of activities. The performance obligations for the DOD contract are monthly technical report submissions to the DOD, outlining developments in the research effort. The total contract price was allocated equally to each monthly technical report over the 36-month period of performance of the contract. Revenue is recognized ratably with the submission of each report. During the year ended September 30, 2024, revenue recognized from contracts with customers ratably over time was \$494,760, of which no amount was received in advance. Cash is received on a monthly basis over a 45-month payment term outlined in the contract.

Inter-Institutional Agreements - Revenue from inter-institutional agreements represents exchange revenue earned in contractual agreements between the Institute and other research organizations, primarily the VAPSHCS (Note 2), in which Institute employees perform research and other effort at other research organizations. The performance obligation of the contract is the individual employees' performance of research. The contract price is the agreed-upon salary and benefits paid by the Institute. The transaction price is allocated to the performance obligation through the use of time and effort reporting, reported on a bi-weekly basis and reimbursed by the VAPSHCS on a monthly basis. Total revenue recognized from inter-institutional agreements during the year ended September 30, 2024 was \$2,412,264, of which no amount was received in advance. Accounts receivable related to inter-institutional agreements totaled \$387,249 as of September 30, 2024, and is included in accounts and grants receivable on the statement of financial position.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Institute considers all highly liquid investments with original maturities of 90 days or less to be cash equivalents, except for those held for long-term investment purposes.

Accounts and Grants Receivable - Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to change in net assets and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grants, contracts, or accounts receivable. Management has deemed receivables to be fully collectible and as such there is no allowance at September 30, 2024.

Investments - The Institute's investments consisted of certificates of deposit which are stated at cost plus accrued interest, which approximates fair value. The certificates have interest rates of approximately 4.6% for 2024.

Research Equipment - Research equipment with an original cost of \$5,000 or greater is capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets of five years.

Leasehold Improvements - The value of leasehold improvements is capitalized and amortized over the shorter of the asset life or the lease term.

Income Taxes - The IRS has determined the Institute to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and the Institute is not considered a private foundation.

SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH

Notes to Financial Statements For the Year Ended September 30, 2024

Note 1 - Continued

Credit Risk - The Institute held cash and cash equivalents and investments in one financial institution at September 30, 2024, in excess of federally insured limits.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Methods Used for Allocation of Expenses Among Program and Supporting Services - The costs of providing the various programs and other activities have been recorded in the statement of activities. Certain costs have been directly allocated to the programs or management, general and administrative based on the benefits derived. Fundraising costs are not considered material and have been included in management, general and administrative.

Indirect Costs - Indirect costs are allocated to research grants through the application of indirect cost rates applied to total direct expenses, less certain distorting items per the rate agreement. Under an agreement between the Institute and the U.S. Department of Health and Human Services, indirect costs are billed at an approved provisional rate. Adjustments based on the actual indirect cost rate are made when they become known, generally in the subsequent year when the rate is finalized. Direct and indirect costs allocated to grants are subject to audit by granting agencies.

Right of-Use Assets and Lease Liabilities - The Institute determines if an arrangement contains a lease at inception. Operating leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets represent a right to use an underlying asset for the lease term and operating lease liabilities represent the Institute's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Institute's leases do not provide an implicit rate of return; thus the Institute uses the risk-free discount rate, determined using a period comparable with that of the lease term from the later of the lease commencement date or implementation date. The ROU asset also includes prepaid lease payments and unamortized initial direct costs, and excludes lease incentives. The Institute has lease agreements with lease and non-lease components which are accounted for as a single lease component. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Institute will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. An ROU asset and operating lease liability is not recognized for leases with an initial term of 12 months or less or when total lease payments are less than \$5,000.

Comparative Totals - The financial information includes certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Institute's financial statements for the year ended September 30, 2023, from which the summarized information was derived.

Subsequent Events - The Institute has evaluated subsequent events through March 25, 2025, the date on which the financial statements were available to be issued.

SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH

Notes to Financial Statements For the Year Ended September 30, 2024

Note 2 - Related Party Transactions

In connection with certain research activities, the VAPSHCS provides services to the Institute under a cost-reimbursement arrangement. For the year ended September 30, 2024, the Institute incurred total costs of \$1,515,867 under this arrangement. In addition, the Institute employees provide support to the intramural research program at VAPSHCS. For the year ended September 30, 2024, the Institute was reimbursed costs of \$2,391,427 under this arrangement. At September 30, 2024, the Institute had accounts and grants receivable of \$387,249 due from the VAPSHCS.

The Institute has joint personnel agreements, an office space lease and subcontracts with the University of Washington. The Institute has board members who are faculty at the University of Washington.

Note 3 - Investments

Investments consist of certificates of deposit of \$12,096,299 at September 30, 2024. Certificates of deposits are valued at cost plus accrued interest which approximates fair value.

Note 4 - Fair Value Measurements

U.S. GAAP defines fair value, provides a framework for measuring fair value, and requires certain disclosures about fair value measurements. To increase consistency and comparability in fair value measurements, U.S. GAAP uses a fair value hierarchy that prioritizes the inputs to valuation approaches into three broad levels. The hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3). The Institute's assets measured at fair value consist of certificates of deposit. Certificates of deposit are valued at cost plus interest which approximates fair value. There have been no changes in the methodologies used at September 30, 2024.

Valuation Techniques - Financial assets and liabilities valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using Level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities using Level 3 inputs were primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied.

Fair values of the Institute's investments in certificates of deposits totaling \$12,096,299 at September 30, 2024 are determined using Level 2 inputs (Note 3).

Note 5 - Retirement Plans

The Institute has a 403(b) Defined Contribution Retirement Plan available to all employees who have completed the equivalent of six months and work at least half time. The Institute contributes an amount equal to 5% of the gross pay of all eligible employees. The Institute will also match employee contributions up to an amount not to exceed 2.5% of the contributing employee's gross pay. All contributions under the Plan are immediately vested with the employee. Retirement expense amounted to \$578,582 for the year ended September 30, 2024. It is the policy of the Institute to fund retirement costs accrued currently.

In addition, a 403(b) Salary Deferral Plan is available to all eligible employees. This Plan permits them to defer a portion of their salary until future years.

SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH

**Notes to Financial Statements
For the Year Ended September 30, 2024**

Note 6 - Contingencies

Grants and contributions require the fulfillment of certain conditions as set forth in the funding agreement. Failure to fulfill the conditions could result in the return of the funds to grantors and contributors. Direct and indirect costs charged to grants are subject to review and audit by granting agencies. Any liabilities that result from a disallowed cost would be recorded when the liability becomes known.

Note 7 - Leases

The Institute leases office space under long-term, noncancelable lease agreements which expire in May 2026. The lease includes a renewal option that is excluded from the lease liability as it is not reasonably certain the option will be exercised.

The total amount of operating expense was \$92,471. The Institute does not have significant variable or short-term lease expense.

Supplemental cash flow information related to leases as of September 30, 2024 is as follows:

Cash paid for amounts included in the measurement of lease liabilities-	
Operating cash flows from operating leases	\$ 92,471
Weighted-average remaining lease term - operating lease	1.75 years
Weighted-average discount rate - operating lease	4.1%

Future minimum payments required under operating leases, are as follows:

For the Year Ending September 30,	
2025	\$ 94,949
2026	<u>64,882</u>
Total undiscounted cash flows	159,831
Less present value discount	<u>(5,471)</u>
Total Operating Lease Liabilities	<u>\$ 154,360</u>

Note 8 - Liquidity and Availability of Financial Assets

Based on analysis of its revenues and operating expense cycles, the Institute maintains a minimum operating reserve of 90 days, with the value calculated as no less than one-fourth of budgeted annual operating expenses, less noncash items.

The reserve itself consists of these assets without donor restrictions: cash, cash equivalents, grants and accounts receivable and short term investments with a maturity of less than 90 days.

SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH

Notes to Financial Statements For the Year Ended September 30, 2024

Note 8 - Continued

The following reflects the Institute's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions at September 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 2,296,535	\$ 3,597,896
Accounts and grants receivable	6,147,377	4,569,833
Interest receivable	107,731	93,279
Investments	<u>12,096,299</u>	<u>9,772,349</u>
Total financial assets	20,647,942	18,033,357
Restricted by donor with time or purpose restrictions	<u>(569,846)</u>	<u>(638,990)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 20,078,096</u>	<u>\$ 17,394,367</u>

Note 9 - Concentrations

The Institute receives a significant amount of its funding from two primary sources; the federal government and the VAPSHCS. As of and for the year ended September 30, 2024, approximately 63% and 7% of accounts receivable and 65% and 9% of the Institute's revenue was from federal government agencies and the VAPSHCS, respectively. The Institute is monitoring information related to Presidential Orders and federal agency guidance such as those related to federal funding cuts and reductions in force; however, there are many uncertainties and pending decisions to accurately assess impacts at the time of this report.