

**SEATTLE INSTITUTE FOR BIOMEDICAL
AND CLINICAL RESEARCH**

Single Audit Reports

For the Year Ended September 30, 2024

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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 (*Government Auditing Standards*), 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 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 25, 2025.

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 25, 2025

**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 PROGRAM

Opinion on 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 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, 2024. 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, 2024.

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 (*Government Auditing Standards*); 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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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, 2024, and have issued our report thereon dated March 25, 2025, 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 25, 2025

SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH

**Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024**

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		\$ 487,290	\$ 1,606,453
Passed through Seattle Children's Research Institute	12.420	W81XWH-20-1-0299		43,713
Passed through the University of Washington	12.420	W81XWH-20-1-0784		19,653
Passed through the University of Washington	12.420	W81XWH-21-1-0271		13,140
Passed through the University of Washington	12.420	HT94252311081		10,924
Passed through the University of Washington	12.420	FP00013312_SA002		7,931
Passed through Alpha Cognition	12.420	HT94252310552		461,400
Passed through Gryphon	12.420	W81XWH-21-1-0469		120,834
Passed through Gryphon	12.420	HT94252310392		23,335
Passed through Baylor College of Medicine	12.420	W81XWH-21-1-0450		180,509
Passed through HMJ Foundation	12.420	W81XWH-21-2-0049		434,108
Passed through HMJ Foundation	12.420	W81XWH20-2-0056		148,505
Total for ALN 12.420			487,290	3,070,505
Uniformed Services University Medical Research Projects- Passed through HMJ Foundation	12.750	HU0001210002		16,750
Passed through HMJ Foundation	12.750	HU00012420059		11,510
Total for ALN 12.750				28,260
Total Department of Defense			487,290	3,098,765
Department of Health and Human Services:				
National Institute of Health- Research and Training in Complimentary and Integrative Health: Passed through the University of Washington	93.213	R01AT011012		134,830
Mental Health Research Grants: Direct Award	93.242		18,416	96,088
Passed through the University of Washington	93.242	R33 MH118160		22,461
Total for ALN 93.242			18,416	118,549
Alcohol Research Programs- Passed through the Research Foundation for Mental Hygiene	93.273	R21AA029153		8,132
Drug Abuse and Addiction Research Programs- Direct Award	93.279			462,652
Passed through Research Foundation for Mental Hygiene	93.279	1 R01 DA048860		183,438
Passed through the University of New Mexico	93.279	UG3 DA051241		211,739
Passed through MWRIF	93.279	R01 DA051674		63,384
Total for ALN 93.279				921,213
Trans-NIH Research Support- Passed through Palo Alto Veterans Institute for Research	93.310	AOD17037		364,583
Cancer Cause and Prevention Research- Direct Award	93.393		734,216	1,031,448
Passed through Nortis Inc	93.393	R44TR003065		28,240
Total for ALN 93.393			734,216	1,059,688
Cancer Detection and Diagnosis Research- Passed through Fred Hutchinson Cancer Research Center	93.394	U01CA224255		43,634

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, 2024**

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- Direct Award	93.395		161,938	252,298
Cancer Biology Research- Passed through Thomas Jefferson University	93.396	R01 CA244749		82,901
Translation and Implementation Science Research for Heart, Lung, Blood Diseases and Sleep Disorders- Direct Award	93.840			72,469
Arthritis, Musculoskeletal and Skin Diseases Research- Direct Award	93.846		98,189	393,189
Diabetes, Digestive, and Kidney Diseases Extramural Research- Direct Award	93.847		303,913	1,080,213
Passed through the University of Washington	93.847	P30 DK017047		161,061
Passed through the University of Washington	93.847	5P01 DK043881		11,359
Passed through the University of Washington	93.847	R01DK134417		6,654
Passed through George Washington University	93.847	5 U01 DK098246		96,885
Total for ALN 93.847			303,913	1,356,172
Extramural Research Programs in the Neurosciences and Neurological Disorders- Direct Award	93.853		1,034,241	2,655,651
Passed through John Hopkins University	93.853	R01NS127344		16,427
Passed through the Cleveland Clinic	93.853	U01 NS100610		140,412
Passed through the Mayo Clinic, Jacksonville, Florida	93.853	5U01NS080168		2,385
Passed through the Mayo Clinic, Jacksonville, Florida	93.853	U01NS119169		3,100
Passed through the Mayo Clinic, Jacksonville, Florida	93.853	R01NS096876		500
Passed through Boston University	93.853	U01 NS093334		27,912
Total for ALN 93.853			1,034,241	2,846,387
Child Health and Human Development Extramural Research- Direct Award	93.865			13,447
Passed through UNC Chapel Hill	93.865	5P50 HD103573		4,961
Passed through University of Pittsburgh	93.865	R01HD103286		10,829
Total for ALN 93.865				29,237
Aging Research- Direct Award	93.866		1,951,372	4,895,843
Passed through the University of Washington	93.866	T32 AG052354		31,467
Passed through the University of Washington	93.866	RF1 AG068406		18,376
Passed through the University of Washington	93.866	P30AG066509		15,733
Passed through the University of Washington	93.866	5R01 AG069960		214,812
Passed through the University of Washington	93.866	R21AG065928		1,744
Passed through Columbia University	93.866	U24 AG056270		117,230
Passed through George Washington University	93.866	U19 AG078558		371,393
Passed through the University of Southern California	93.866	R01 AG061848		35,350
Passed through the University of Southern California	93.866	R01AG068324		791
Passed through the University of Southern California	93.866	R01AG063689		349,205
Passed through the University of Southern California	93.866	R01 AH53798		7,412
Total for ALN 93.866			1,951,372	6,059,356
Total Department of Health and Human Services/ National Institute of Health			4,302,285	13,742,638
Total Research and Development Cluster/Total Federal Expenditures			\$ 4,789,575	\$ 16,841,403

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, 2024

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, 2024. 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, 2024**

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 93.279 93.396	Research and Development Cluster
12.750 93.310 93.840	
93.213 93.393 93.846	
93.242 93.394 93.847	
93.273 93.395 93.853	
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, 2024**

Section II - Reportable Financial Statement Findings

No matters were reported.

Section III - Reportable Findings and Questioned Costs for Federal Awards

No matters were reported.