

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

FINANCIAL STATEMENTS

December 31, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Terasaki Institute for Biomedical Innovation
Los Angeles, California

Opinion

We have audited the accompanying financial statements of Terasaki Institute for Biomedical Innovation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Terasaki Institute for Biomedical Innovation (the Institute) as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with 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. Our responsibilities under those standards are further described in the Auditors' 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 audits. 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 within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2025 on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

A handwritten signature in cursive script that reads "Windes, Inc.".

Long Beach, California
September 26, 2025

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31,	
	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	\$ 996,187	\$ 969,154
Investments	44,016,459	44,211,552
Grants receivable, net	625,025	219,723
Prepaid expenses and other assets	86,365	50,267
	45,724,036	45,450,696
NONCURRENT ASSETS		
Property and equipment, net	19,904,129	20,766,247
Operating lease right-of-use assets	308,174	614,280
Patents, net	558,868	427,392
	20,771,171	21,807,919
TOTAL ASSETS	\$ 66,495,207	\$ 67,258,615

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 788,763	\$ 448,218
Accrued salaries and related taxes	22,725	14,029
Accrued vacation and sick pay	832,477	801,097
Operating lease liabilities, current portion	290,966	362,679
	1,934,931	1,626,023
NONCURRENT LIABILITIES		
Priority credit line	16,410,948	15,976,312
Line of credit	2,945,028	2,666,152
Operating lease liabilities, net of current portion	30,363	267,875
	19,386,339	18,910,339
NET ASSETS WITHOUT DONOR RESTRICTIONS	45,173,937	46,722,253
TOTAL LIABILITIES AND NET ASSETS	\$ 66,495,207	\$ 67,258,615

The accompanying notes are an integral part of these financial statements.

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

STATEMENTS OF ACTIVITIES

	For the Year Ended December 31,	
	2024	2023
SUPPORT AND REVENUE		
Grants	\$ 3,088,500	\$ 2,327,502
Research services	1,243,796	1,674,186
Contributed rent	4,618,265	4,278,462
Other income	66,782	81,505
	9,017,343	8,361,655
Investment return, net	6,251,525	5,541,870
TOTAL SUPPORT AND REVENUE	15,268,868	13,903,525
EXPENSES		
Program services	8,694,926	8,151,420
Management and general	8,122,258	8,547,746
	16,817,184	16,699,166
TOTAL EXPENSES	16,817,184	16,699,166
CHANGE IN NET ASSETS BEFORE PROVISION FOR EXCISE TAXES	(1,548,316)	(2,795,641)
PROVISION FOR EXCISE TAXES	-	36,388
CHANGE IN NET ASSETS	(1,548,316)	(2,832,029)
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	46,722,253	49,554,282
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	\$ 45,173,937	\$ 46,722,253

The accompanying notes are an integral part of these financial statements.

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Program Services	Management and General	Total
Automobile	\$ -	\$ 4,098	\$ 4,098
Bad debt	156,327	-	156,327
Bank fees	-	2,399	2,399
Charitable contributions	500	-	500
Cleaning	32,894	95,541	128,435
Computer supplies	41,855	76,977	118,832
Conference	-	245,049	245,049
Contributed rent	2,681,858	1,936,407	4,618,265
Depreciation and amortization	-	986,549	986,549
Education	800	-	800
Employee benefits	370,087	192,425	562,512
Equipment rental and maintenance	377,797	15,107	392,904
Insurance	-	85,203	85,203
Interest expense	-	1,121,746	1,121,746
Legal and professional	15,325	168,626	183,951
Meals and entertainment	5,004	22,376	27,380
Miscellaneous	-	5,511	5,511
Office expenses	117,127	208,996	326,123
Outside services	79,900	258,175	338,075
Payroll tax expense	212,709	123,896	336,605
Pension contribution	52,886	65,483	118,369
Postage	16,890	1,035	17,925
Program supplies	1,049,705	-	1,049,705
Property taxes	58,783	189,877	248,660
Repairs and maintenance	40,666	152,386	193,052
Salaries and wages	3,088,637	1,771,630	4,860,267
Subaward costs	152,194	-	152,194
Taxes and licenses	-	78	78
Telephone	-	1,281	1,281
Travel and transportation	142,982	3,709	146,691
Utilities	-	387,698	387,698
	<u>\$ 8,694,926</u>	<u>\$ 8,122,258</u>	<u>\$ 16,817,184</u>

The accompanying notes are an integral part of these financial statements.

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Services	Management and General	Total
Automobile	\$ -	\$ 2,729	\$ 2,729
Bank fees	-	2,539	2,539
Cleaning	24,130	124,080	148,210
Computer supplies	42,466	82,869	125,335
Conference	-	99,715	99,715
Contributed rent	2,480,572	1,808,635	4,289,207
Depreciation and amortization	-	897,973	897,973
Education	1,306	-	1,306
Employee benefits	330,612	150,727	481,339
Equipment rental and maintenance	224,523	15,939	240,462
Insurance	-	76,594	76,594
Interest expense	-	1,083,530	1,083,530
Legal and professional	34,891	145,940	180,831
Meals and entertainment	2,619	36,699	39,318
Miscellaneous	-	11,736	11,736
Office expenses	129,335	266,662	395,997
Outside services	158,867	505,973	664,840
Payroll tax expense	206,433	155,060	361,493
Pension contribution	55,434	65,759	121,193
Postage	43,576	2,841	46,417
Program supplies	823,351	-	823,351
Repairs and maintenance	100,469	114,083	214,552
Salaries and wages	3,146,770	2,219,618	5,366,388
Subaward costs	270,052	-	270,052
Taxes and licenses	-	78	78
Telephone	-	19,171	19,171
Travel and transportation	76,014	145,041	221,055
Utilities	-	513,755	513,755
	<u>\$ 8,151,420</u>	<u>\$ 8,547,746</u>	<u>\$ 16,699,166</u>

The accompanying notes are an integral part of these financial statements.

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

STATEMENTS OF CASH FLOWS

	For the Year Ended	
	December 31,	
	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,548,316)	\$ (2,832,029)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	986,549	897,973
Loss on disposal of property and equipment	-	26,353
Reinvested interest and dividends	(1,329,895)	(1,442,060)
Net realized and unrealized gain on investments	(5,183,393)	(4,375,686)
Amortization of operating lease right-of-use assets	376,206	358,681
Change in operating assets and liabilities:		
Grants receivable	(405,302)	731,816
Prepaid expenses and other assets	(36,098)	41,131
Accounts payable and accrued expenses	324,456	(2,813,977)
Accrued salaries and related taxes	8,696	(232,033)
Deferred revenue	-	(145,833)
Accrued vacation and sick pay	31,380	(153,340)
Operating lease liabilities	(379,325)	(347,936)
Net Cash Used In Operating Activities	<u>(7,155,042)</u>	<u>(10,286,940)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of patents	(186,349)	(216,476)
Purchase of property and equipment	(53,469)	(2,630,626)
Proceeds from sale of investments	25,229,614	26,530,418
Purchase of investments	(18,521,233)	(15,961,248)
Net Cash Provided By Investing Activities	<u>6,468,563</u>	<u>7,722,068</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change on priority credit line	434,636	(580,661)
Net change on line of credit	278,876	2,666,152
Net Cash Provided By Financing Activities	<u>713,512</u>	<u>2,085,491</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	27,033	(479,381)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>969,154</u>	<u>1,448,535</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 996,187</u>	<u>\$ 969,154</u>

The accompanying notes are an integral part of these financial statements.

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

NOTE 1 – Summary of Significant Accounting Policies

Description of Organization

The Terasaki Institute for Biomedical Innovation (the Institute) is a nonprofit corporation established in 1989 under the laws of the state of California. The purpose of the Institute is to improve human health through translational scientific research.

Basis of Accounting and Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The Institute reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Institute or the passage of time. As the restrictions are satisfied, net assets are reclassified as without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. Also included in this category are net assets subject to donor-imposed restrictions that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions. Such income generally includes interest, dividends, and realized and unrealized earnings from the corpus. At December 31, 2024 and 2023, there were no net assets with donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk

Financial instruments can potentially subject the Institute to concentrations of credit risk. The Institute maintains funds in cash deposits and money market accounts with a commercial bank and two depository institution accounts held through brokerage firms. The deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to a total of \$250,000 per financial institution.

At times, the balance of the Institute's accounts may exceed FDIC limits. The Institute has not experienced any losses in its cash accounts.

Investments in money market accounts, mutual funds, and equity securities are placed with high-credit quality financial institutions which are members of the Securities Investor Protection Corporation (SIPC). SIPC funds are available for losses up to \$500,000 for securities, inclusive of up to \$250,000 for cash. Excess SIPC coverage is maintained through a Lloyd's of London syndicate that provides additional protection above SIPC limits.

The Institute's investments are exposed to various risks related to stock market fluctuation such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Institute considers cash, demand deposits, money market funds, and all other highly liquid investments with an initial maturity of three months or less to be cash equivalents unless they are held as part of the long-term investment pool. These amounts are carried at cost, which approximates fair value.

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Revenue from Grants

Revenue from grants for program services is generally conditioned upon certain performance requirements. Amounts received are recognized as revenue as the Institute performs individual performance obligations. Any difference between performance obligations completed and the total funds received (not to exceed the grant maximum) is recorded as a receivable or liability, whichever is applicable. The Institute is party to conditional grants with grant terms through August 31, 2028 and additional funding of approximately \$7,325,000 that has not been recognized as of December 31, 2024 because certain performance obligations have not yet been met.

Revenue from Research Services

Revenue from research services generally consists of contractual agreements to conduct scientific research based on an agreed upon scope of work with a third-party sponsor. The Institute conducts the research based on the agreed upon scope and generally provides a report at the end of the project detailing the results of the research. Additionally, the Institute may at times provide access to its laboratory facilities to third parties to conduct research. In these cases, the Institute negotiates a fee agreement with the third party for laboratory access.

Revenue from research services may also include membership transactions that consist of information exchange agreements that are recognized over time. Revenue is recognized over the life of the membership, which is generally one year. Deferred revenue primarily consists of membership fees received in advance of the service period and is recognized over the contractual term of the revenue arrangement.

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Contributions

The Institute's contributions and donations revenue consist primarily of gifts received from donors and is mostly available for general use. Contributions are recognized as revenue in the period unconditional promises to give are received. Conditional contributions (promises to give) are not recognized until they become unconditional, which is when the conditions on which they depend are substantially met. Contributions with donor restrictions when the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized are reported as increases in net assets without donor restrictions. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Donations of marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of gift. Such contributions are considered to be available for general use unless specifically restricted by the donor.

Investments

Investments in debt and equity securities that are traded on national security exchanges are recorded at fair value as determined by quoted market prices. Investments for which readily determinable market values do not exist, including private equity funds, real estate funds, and hedge funds, are recorded at fair value as determined by the Institute with the assistance of external investment managers, using methods and significant assumptions considered appropriate based on an understanding of the underlying characteristics of the investments.

Due to the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in the risk factors, in the near term, could materially affect the statements of financial position. All changes in the fair value of securities are reported in earnings as they occur. Purchases and sales of securities are recorded on a trade date basis and realized gains and losses are determined on the basis of the average cost of the securities sold.

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Investments (Continued)

The Institute accounts for fair value measurements under Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*. ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

- Level 1:** Quoted prices are available in active markets for identical assets or liabilities as of the reporting date.
- Level 2:** Pricing inputs other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reporting date.
- Level 3:** Pricing inputs include significant inputs that are generally unobservable from objective sources. These inputs may be used with internally developed methodologies that result in management’s best estimate of fair value.

Grants Receivable

Grants receivable are recorded when billed or accrued and represent claims against third parties that will be settled in cash. Management estimates an allowance for credit losses based on historical collection trends, type of customer, the age of outstanding receivables, and existing economic conditions. Past due receivable balances are written-off when internal collection efforts have been unsuccessful in collecting the amount due. The allowance for credit losses and credit loss expense for the year ended December 31, 2024 was \$156,327. There was no allowance for credit losses or credit loss expense for the year ended December 31, 2023.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Repairs and maintenance are expensed as incurred, whereas additions and betterments that improve or extend the useful lives of respective fixed assets are capitalized. Depreciation is computed using the straight-line and double-declining-balance methods over the estimated useful lives of individual assets, which range from 5 to 39 years.

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Patents

The Institute has developed certain proprietary processes and applied for patents for those developed processes. Costs related to securing the patents have been capitalized and amortized over 10 years, their estimated useful lives, using the straight-line method. Patents are carried at cost, less accumulated amortization on the statements of financial position. Patents are reviewed for events that may impair their value or estimated useful lives. For the years ended December 31, 2024 and 2023, there was no impairment on patents.

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Patents	\$ 709,618	\$ 507,181
Less accumulated amortization	<u>(150,750)</u>	<u>(79,789)</u>
	<u>\$ 558,868</u>	<u>\$ 427,392</u>

Amortization expense for the years ended December 31, 2024 and 2023 was \$70,961 and \$50,718, respectively.

Accrued Vacation and Sick Pay

Accrued vacation and sick pay consists of the portion of accumulated vacation and sick pay earned through past services rendered by the Institute's employees. Accrued vacation time is capped based upon the classification of the individual employee, length of service, and other factors. At December 31, 2024 and 2023, accrued compensated absences totaled \$832,477 and \$801,097, respectively.

Deferred Revenue

Deferred revenue consists of amounts received from grant sponsors, which have not been earned under the terms of the respective agreement due to certain performance obligations. The amounts are recognized as grant revenue once the Institute meets the performance obligations per the agreement. There was no deferred revenue as of December 31, 2024 and 2023, respectively.

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and the supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Institute.

Income Tax Status

The Institute is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) as evidenced by an exemption letter dated March 1990. The Institute is also exempt from California franchise taxes under Revenue and Taxation Code Section 23701(d). Accordingly, no provision has been made for income taxes in the accompanying financial statements. However, as a private foundation, the Institute is subject to an excise tax on its net investment income.

U.S. GAAP requires management to evaluate tax positions taken by the Institute and recognize a tax asset (or reduction of a liability) only if the Institute has taken a position that more likely than not would be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Institute and has concluded that as of December 31, 2024 and 2023, all tax positions taken or expected to be taken would more likely than not be sustained upon examination by taxing authorities.

All tax-exempt entities are subject to review and audit by federal, state, and other applicable agencies. Such agencies may review the taxability of unrelated business income, or the qualification of the tax-exempt entity under the IRC and applicable state statutes. The statute of limitations for federal and state purposes is generally three and four years, respectively.

Subsequent Events

The Institute's management has evaluated subsequent events from the date of the statements of financial position through September 26, 2025, the date the financial statements were available to be issued for the year ended December 31, 2024, and believes no additional disclosures are required in these financial statements.

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 – Financial Assets and Liquidity Resources

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	December 31,	
	2024	2023
Cash and cash equivalents	\$ 996,187	\$ 969,154
Investments	44,016,459	44,211,552
Grants receivable	625,025	219,723
 Total financial assets available within one year	 \$ 45,637,671	 \$ 45,400,429

The Institute maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations as they come due.

NOTE 3 – Investments

The Institute’s investments consisted of the following, set forth by level within the fair value hierarchy, as of December 31, 2024:

	Assets at Fair Value as of December 31, 2024				
	Level 1	Level 2	Level 3	Net Asset Value	Total
Equity securities	\$ 28,660,833	\$ -	\$ -	\$ -	\$ 28,660,833
Government securities	-	732,128	-	-	732,128
Corporate bonds	-	1,062,529	-	-	1,062,529
Mutual funds	13,251,451	-	-	-	13,251,451
Alternate investments	-	-	-	309,518	309,518
Total financial assets available within one year	\$ 41,912,284	\$ 1,794,657	\$ -	\$ 309,518	\$ 44,016,459

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 3 – Investments (Continued)

The Institute’s investments consisted of the following, set forth by level within the fair value hierarchy, as of December 31, 2023:

	Assets at Fair Value as of December 31, 2023				
	Level 1	Level 2	Level 3	Net Asset Value	Total
Equity securities	\$ 30,897,301	\$ -	\$ -	\$ -	\$ 30,897,301
Government securities	-	1,085,894	-	-	1,085,894
Corporate bonds	-	644,117	-	-	644,117
Mutual funds	11,143,524	-	-	-	11,143,524
Alternate investments	-	-	-	440,716	440,716
Total financial assets					
available within one year	<u>\$ 42,040,825</u>	<u>\$ 1,730,011</u>	<u>\$ -</u>	<u>\$ 440,716</u>	<u>\$ 44,211,552</u>

In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

The following table summarizes the Institute’s alternative investments in funds valued using the fair value practical expedient of net asset value:

	Net Asset Value	Redemption Frequency	Redemption Notice Period (Days)	Unfunded Commitment
December 31, 2024	\$ 309,518	None or Quarterly	95 days or None	N/A
December 31, 2023	\$ 440,716	None or Quarterly	95 days or None	N/A

The Institute recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. There were no transfers between levels for the years ended December 31, 2024 and 2023.

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 3 – Investments (Continued)

Net investment return was as follows:

	For the Year Ended December 31,	
	2024	2023
Interest and dividends	\$ 1,329,895	\$ 1,442,060
Net realized and unrealized gains	5,183,393	4,375,686
Investment expenses and fees	(261,763)	(275,876)
 Total net investment return	 \$ 6,251,525	 \$ 5,541,870

NOTE 4 – Property and Equipment

Property and equipment are comprised of the following:

	December 31,	
	2024	2023
Artwork	\$ 3,200	\$ 3,200
Buildings	19,098,993	19,098,993
Leasehold improvements	600,381	568,348
Furniture and fixtures	1,233,462	1,233,462
Office and computer equipment	2,178,123	2,156,687
	23,114,159	23,060,690
Less accumulated depreciation and amortization	(3,210,030)	(2,294,443)
 Net property and equipment	 \$ 19,904,129	 \$ 20,766,247

Depreciation expense for the years ended December 31, 2024 and 2023 was \$915,587 and \$847,255, respectively.

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

NOTE 5 – Priority Credit Line and Line of Credit

The Institute maintains a priority credit line with a major financial institution. The balance outstanding on the priority credit line at December 31, 2024 and 2023 was \$16,410,948 and \$15,976,312, respectively. The Institute's investment portfolio is pledged as collateral against the priority credit line. The interest rate for the priority credit line is the prime rate (7.50% as of December 31, 2024) minus 2.65%.

During the year ended December 31, 2023, the Institute entered into a revolving line of credit with a major financial institution. Maximum borrowings with the financial institution were up to approximately \$8,656,000 and \$9,602,000 for the years ended December 31, 2024 and 2023, respectively. The balance outstanding on the line of credit at December 31, 2024 and 2023 was \$2,945,028 and \$2,666,152, respectively. The Institute's investment portfolio is pledged as collateral against the line of credit. The interest rate for the line of credit is a floating rate that resets every week. The interest rate at December 31, 2024 was 5.88%.

NOTE 6 – Retirement Plan

The Institute sponsors a 401(k) profit-sharing plan (the Plan) covering substantially all employees who meet certain minimum plan eligibility requirements. The Plan contains two components, a 401(k) portion and a profit-sharing portion. The 401(k) portion of the Plan provides for voluntary salary deferrals for eligible employees. The Institute may make discretionary profit-sharing contributions as determined by the Board of Directors. The Plan also includes a safe harbor provision, and the Institute contributes a certain percentage of eligible employee wages.

For the years ended December 31, 2024 and 2023, the Institute contributed \$123,332 and \$116,080, respectively, to the Plan. The Institute pays the administrative expenses associated with the Plan, which total approximately \$19,528 and \$4,400 for the years ended December 31, 2024 and 2023, respectively; and are included in the accompanying statements of functional expenses.

NOTE 7 – Lease Arrangements

The Institute's policy for determining its lease discount rate used for measuring lease liabilities is to use the rate implicit in the lease whenever that rate is readily determinable. If the rate implicit in the lease is not readily determinable, then the Institute has elected to use the risk-free discount rate, as permitted by U.S. GAAP, determined using a period comparable with that of the lease term.

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 7 – Lease Arrangements (Continued)

The Institute has elected a policy to account for short-term leases, defined as any lease with a term less than 12 months, by recognizing all components of the lease payment in the statements of activities in the period in which the obligation for the payments is incurred.

The Institute leases its equipment under operating leases with three-year terms and minimum lease payments.

The following summarizes the line items in the statements of financial position:

	December 31,	
	2024	2023
Operating lease right-of-use assets	\$ 308,174	\$ 614,280
Current portion of operating lease liabilities	\$ 290,966	\$ 362,679
Long-term portion of operating lease liabilities	30,363	267,875
	\$ 321,329	\$ 630,554

The components of operating lease expenses that are included in "Equipment rental and maintenance" in the statements of functional expenses were as follows:

	For the Year Ended December 31,	
	2024	2023
Operating lease costs	\$ 376,206	\$ 358,681

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 7 – Lease Arrangements (Continued)

The following summarizes the supplemental cash flow information for the year ended December 31, 2024 and 2023:

	For the Year Ended December 31,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Cash flows from operating leases	\$ 399,523	\$ 380,823
Noncash investing and financing activity:		
Right-of-use assets obtained in exchange for new operating lease liabilities in adoption of ASC 842	\$ 70,100	\$ -

The weighted-average remaining lease term and discount rate for operating leases were as follows:

	December 31,	
	2024	2023
Weighted-average remaining lease term	0.98 years	1.72 years
Weighted-average discount rate	4.25%	4.17%

The maturities of operating lease liabilities as of December 31, 2024 are as follows:

Year Ending December 31,	Operating Leases
2025	\$ 296,460
2026	24,933
2027	6,234
Total minimum lease payments	327,627
Less amount representing interest	(6,298)
Present value of minimum lease payments	321,329
Less current portion	(290,966)
	\$ 30,363

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 8 – Related-Party Transactions

The Institute occupies office space and facilities located in Los Angeles, California, owned by Nogan LLC, 1018-1024 Westwood LLC, and 21100 Erwin Street, LLC, companies in which a former board member of the Institute is the sole member. No rental payment is required for the lease of the offices. Management calculated an imputed in-kind rent contribution of \$4,618,265 and \$4,278,462 for the years ended December 31, 2024 and 2023, respectively (see Note 9).

During the year ended December 31, 2024, the Institute invested in a privately held company that is affiliated with the Chief Executive Officer of the Institute. The investment at December 31, 2024 and 2023 was \$137,450 and \$177,422, respectively, and is included in investments on the statements of financial position. The Institute also received grants and performed research services for the privately held company and recognized revenues of \$120,044 and \$1,379,982 for the years ended December 31, 2024 and 2023, respectively. There was no outstanding balance due from the related party as of December 31, 2024 or 2023.

NOTE 9 – Contributions - In-Kind

The Institute receives significant amounts of contributed rent from related parties. Management estimates that the value of these services at December 31, 2024 and 2023 was \$4,618,265 and \$4,278,462, respectively. The contributed rent is valued at a range of \$4.12 - \$5.67 per square foot multiplied by the square footage of the space utilized. The rate used to value the space is based off of appraisals made by a third-party valuation specialist. There were no donor-imposed restrictions associated with the donated rent.

NOTE 10 – Supplemental Disclosures of Cash and Noncash Flow Information

	For the Year Ended December 31,	
	2024	2023
Cash paid during the year:		
Interest expense	\$ 1,121,746	\$ 1,083,530
Noncash investing activities:		
Capitalization of patents	\$ 16,089	\$ -

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

INTERNAL CONTROL AND COMPLIANCE REPORTS

December 31, 2024

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**INDEPENDENT AUDITORS' 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***

To the Board of Directors of
Terasaki Institute for Biomedical Innovation
Los Angeles, California

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 Terasaki Institute for Biomedical Innovation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 26, 2025.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Terasaki Institute for Biomedical Innovation'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 audits 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 Terasaki Institute for Biomedical Innovation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Terasaki Institute for Biomedical Innovation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Windes, Inc.".

Long Beach, California
September 26, 2025

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Terasaki Institute for Biomedical Innovation
Los Angeles, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Terasaki Institute for Biomedical Innovation'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 Terasaki Institute for Biomedical Innovation's major federal programs for the year ended December 31, 2024. Terasaki Institute for Biomedical Innovation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Terasaki Institute for Biomedical Innovation 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 December 31, 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; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Terasaki Institute for Biomedical Innovation 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 Terasaki Institute for Biomedical Innovation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' 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 Terasaki Institute for Biomedical Innovation'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 generally accepted auditing standards, *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 Terasaki Institute for Biomedical Innovation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Terasaki Institute for Biomedical Innovation'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 Terasaki Institute for Biomedical Innovation'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 Terasaki Institute for Biomedical Innovation'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 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 Auditors' 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Terasaki Institute for Biomedical Innovation as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated September 26, 2025, which contained an unmodified opinion on those financial statements. Our audits were 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 audits 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.

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.



Long Beach, California
September 26, 2025

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
RESEARCH AND DEVELOPMENT - CLUSTER:			
U. S. Department of Health and Human Services			
National Institute of Health			
National Institute of General Medical Sciences	93.859	\$ 937,645	\$ -
		<u>937,645</u>	<u>-</u>
National Institute of Arthritis and Musculoskeletal and Skin Diseases	93.846	11,937	8,585
Pass Through:			
University of Texas at Austin	93.310	100,016	-
		<u>111,953</u>	<u>8,585</u>
National Institute of Biomedical Imaging and Bioengineering	93.286	183,743	-
		<u>183,743</u>	<u>-</u>
National Cancer Institute			
Pass Through:			
Mayo Clinic Arizona	93.394	248,597	-
The University of Texas Southwestern Medical Center	93.396	5,535	-
		<u>254,132</u>	<u>-</u>
National Center for Advancing Translational Sciences			
Pass Through:			
The Regents of University of California, Los Angeles	93.350	124,200	-
		<u>124,200</u>	<u>-</u>
National Institute of Diabetes and Digestive and Kidney Diseases	93.847	365,076	38,346
Pass Through:			
Duke University	93.847	9,789	-
Mayo Clinic Arizona	93.847	199,490	-
		<u>574,355</u>	<u>38,346</u>
National Institute of Allergy and Infectious Diseases	93.855	56,934	-
		<u>56,934</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>2,242,962</u>	<u>46,931</u>
National Science Foundation			
Translational Impacts			
Pass Through:			
The Regents of University of California, Los Angeles	47.084	6,211	-
		<u>6,211</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 2,249,173</u>	<u>\$ 46,931</u>

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Terasaki Institute for Biomedical Innovation under programs of the federal government for the year ended December 31, 2024. The information in the 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 Terasaki Institute for Biomedical Innovation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Terasaki Institute for Biomedical Innovation.

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 the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Terasaki Institute for Biomedical Innovation has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

SUMMARY OF AUDITORS' RESULTS

Financial Statements

The independent auditors' report expresses an unmodified opinion on whether the financial statements of Terasaki Institute for Biomedical Innovation were prepared in accordance with generally accepted accounting principles.

Internal control over financial reporting

1. Material weakness(es) identified? – No
2. Significant deficiencies identified? – No
3. Noncompliance material to financial statements noted? – No

Federal awards

Internal control over major programs

1. Material weakness(es) identified? – No
2. Significant deficiencies identified? – None reported
3. Type of auditors' report issued on compliance for major programs – Unmodified
4. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? – No
5. Identification of major programs: Research and Development - Cluster, AL No. Various
6. Dollar threshold used to distinguish between type A and type B programs was \$750,000.
7. Auditee qualified as low-risk auditee? – Yes

TERASAKI INSTITUTE FOR BIOMEDICAL INNOVATION

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

SECTION II – FINDINGS FINANCIAL STATEMENT AUDIT

None noted.

SECTION III – FINDINGS AND QUESTIONS COSTS – MAJOR FEDERAL AWARD PROGRAMS

None noted.