

**SUMMER SCIENCE PROGRAM, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2023 AND 2022**



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**SUMMER SCIENCE PROGRAM, INC.  
TABLE OF CONTENTS  
YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENTS OF ACTIVITIES</b>	<b>4</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>6</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>8</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>9</b>



## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Summer Science Program, Inc.  
Morrisville, North Carolina

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Summer Science Program, Inc. (SSPI), which comprise the statements of financial position as of September 30, 2023 and 2022, 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 SSPI as of September 30, 2023 and 2022, 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 (GAAS). 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 SSPI 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 SSPI's ability to continue as a going concern for one year after the date 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 GAAS 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, 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 SSPI'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 SSP'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.



**CliftonLarsonAllen LLP**

Pasadena, California  
February 4, 2024

**SUMMER SCIENCE PROGRAM, INC.  
STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 66,428,200	\$ 438,908
Investments	5,233,547	3,066,392
Contributions Receivable	127,798,206	30,477
Prepaid Expenses and Other Assets	88,177	35,562
Restricted Investments	2,575,932	2,276,726
Total Assets	\$ 202,124,062	\$ 5,848,065
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 209,495	\$ 288,513
<b>NET ASSETS</b>		
Without Donor Restrictions	199,338,635	3,243,232
With Donor Restrictions	2,575,932	2,316,320
Total Net Assets	201,914,567	5,559,552
Total Liabilities And Net Assets	\$ 202,124,062	\$ 5,848,065

See accompanying Notes to Financial Statements.

**SUMMER SCIENCE PROGRAM, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Program Fees, Net of Financial Aid of \$634,075	\$ 1,079,525	\$ -	\$ 1,079,525
Grants and Contributions	196,704,112	33,748	196,737,860
In-Kind Donations	32,763	-	32,763
Investment Income	787,940	390,758	1,178,698
Other Income	6,041	-	6,041
Net Assets Released from Restrictions	164,894	(164,894)	-
Total Revenue and Support	198,775,275	259,612	199,034,887
<b>EXPENSES</b>			
Program	1,960,749	-	1,960,749
Management and General	506,075	-	506,075
Alumni Relations and Development	213,048	-	213,048
Total Expenses	2,679,872	-	2,679,872
<b>CHANGE IN NET ASSETS</b>	196,095,403	259,612	196,355,015
Net Assets - Beginning of Year	3,243,232	2,316,320	5,559,552
<b>NET ASSETS - END OF YEAR</b>	\$ 199,338,635	\$ 2,575,932	\$ 201,914,567

See accompanying Notes to Financial Statements.

**SUMMER SCIENCE PROGRAM, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Program Fees, Net of Financial Aid of \$448,925	\$ 1,167,868	\$ -	\$ 1,167,868
Grants and Contributions	453,739	195,097	648,836
In-Kind Donations	42,816	-	42,816
Investment Income	(609,325)	(465,309)	(1,074,634)
Other Income	146,503	-	146,503
Net Assets Released from Restrictions	230,004	(230,004)	-
Total Revenue and Support	1,431,605	(500,216)	931,389
<b>EXPENSES</b>			
Program	1,558,943	-	1,558,943
Management and General	201,760	-	201,760
Alumni Relations and Development	150,047	-	150,047
Total Expenses	1,910,750	-	1,910,750
<b>CHANGE IN NET ASSETS</b>	(479,145)	(500,216)	(979,361)
Net Assets - Beginning of Year	3,722,377	2,816,536	6,538,913
<b>NET ASSETS - END OF YEAR</b>	\$ 3,243,232	\$ 2,316,320	\$ 5,559,552

See accompanying Notes to Financial Statements.

**SUMMER SCIENCE PROGRAM, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 765,899	\$ 87,575	\$ 111,082	\$ 964,556
Site Expenses	772,978	-	-	772,978
Professional Fees	236,277	339,869	59,670	635,816
Travel	126,381	53,154	15,300	194,835
Office Expenses and Supplies	34,144	20,833	13,889	68,866
Printing and Publications	12,117	996	13,107	26,220
Insurance	12,953	3,648	-	16,601
	<u>\$ 1,960,749</u>	<u>\$ 506,075</u>	<u>\$ 213,048</u>	<u>\$ 2,679,872</u>

See accompanying Notes to Financial Statements.



**SUMMER SCIENCE PROGRAM, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Site Expenses	\$ 716,918	\$ -	\$ -	\$ 716,918
Professional Fees	260,197	175,838	126,119	562,154
Salaries and Wages	454,463	53	-	454,516
Travel	81,432	13,690	1,331	96,453
Office Expenses and Supplies	25,013	8,340	10,547	43,900
Printing and Publications	11,682	125	12,050	23,857
Insurance	9,238	3,714	-	12,952
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Functional Expenses	<u>\$ 1,558,943</u>	<u>\$ 201,760</u>	<u>\$ 150,047</u>	<u>\$ 1,910,750</u>

See accompanying Notes to Financial Statements.

**SUMMER SCIENCE PROGRAM, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 196,355,015	\$ (979,361)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Realized and Unrealized (Gains) Losses on Investments	(939,636)	1,191,946
Contributions Restricted for Endowment	(16,571)	(113,097)
Gain in PPP Loan Forgiveness	-	(141,008)
Changes in Assets and Liabilities:		
Contributions Receivable	(127,767,729)	48,219
Prepaid Expenses and Other Assets	(52,615)	(23,402)
Accounts Payable and Accrued Expenses	(79,018)	243,644
Net Cash Provided by Operating Activities	67,499,446	226,941
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(3,276,146)	(442,319)
Proceeds from Sale of Investments	1,749,421	237,000
Net Cash Used by Investing Activities	(1,526,725)	(205,319)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions Restricted for Endowment	16,571	113,097
Repayment of Loan Payable	-	(45,929)
Net Cash Provided by Financing Activities	16,571	67,168
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	65,989,292	88,790
Cash And Cash Equivalents - Beginning of Year	438,908	350,118
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 66,428,200	\$ 438,908

See accompanying Notes to Financial Statements.

**SUMMER SCIENCE PROGRAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 1 NATURE OF THE ORGANIZATION**

Summer Science Program, Inc. (SSPI), incorporated as a California nonprofit organization in 1999, has been operating summer programs since 1959 and has a world-wide alumni base of more than 3,400 individuals. For a complete description see [www.summerscience.org](http://www.summerscience.org).

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Statement Presentation**

The financial statements of SSPI have been prepared on the accrual basis of accounting to conform to generally accepted accounting principles in the United States of America (U.S. GAAP) as applicable to nonprofit institutions. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of SSPI and changes therein have been classified and are reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash in checking, savings accounts, U.S. Treasury bills, and money market funds.

**Investments**

Investments are stated at fair value. The estimated fair value of investments is based on quoted market prices or net asset value. Certificate of deposits are valued using a cost-based measure which approximates fair value. Unrealized gains or losses on investments resulting from fair value fluctuations are recorded in the statements of activities.

**Restricted Investments**

Restricted investments represent assets restricted by donors for the endowment.

**SUMMER SCIENCE PROGRAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurements**

Accounting guidance establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring fair value. This hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels:

*Level 1* – Quoted market prices are available in active market for identical assets or liabilities as of the reporting date.

*Level 2* – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

*Level 3* – Pricing inputs are unobservable and shall be used to measure fair value to the extent that observable inputs are not available. The inputs into the determination of fair value are based upon the best information available and require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

**Endowment-Return Objectives and Risk Parameters**

SSPI has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the board of trustees, SSPI expects its endowment funds, over time, to appreciate and to provide a continuing and dependable cash payout, that is stable, and preferably growing in real terms, after giving effect to inflation, while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, SSPI relies on a balanced investment strategy that utilizes exchange-traded funds, mutual funds, and certificates of deposit. Endowment assets may be invested in both U.S. and non-U.S. assets.

**Endowment Spending Policy**

In determining the annual spending from the investment earnings, SSPI takes into consideration the rate of inflation and real growth of the investment pool. On an annual basis, the Board of Trustees of SSPI authorizes the transfer of up to 5% of the prior year's ending endowment balance as of September 30 of the fiscal year.

**SUMMER SCIENCE PROGRAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expirations of donor-imposed restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as net assets released from 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 stipulations or by law.

**Program Fees**

Program fee revenue is recognized over the program term as program services are rendered. Financial aid is recorded in the applicable year granted. Revenue, or transaction price, is measured as the amount of consideration expected to be received in exchange for transferring goods or services. Program fee revenues are reported at established rates, net of financial assistance provided by SSPI.

**Grants and Contributions**

Contributions of cash, securities or other assets, or unconditional promises to give, are recognized as revenue in the period received and reported in their appropriate net asset group, subject to the existence or absence of donor-imposed stipulations. For contributions with donor-imposed conditions – that is, those with a measurable performance or other barrier and a right of return or release – revenues are recognized at the time the conditions are substantially met, regardless of the timing of cash receipt. During the years ended September 30, 2023 and 2022, SSPI did not receive any conditional contributions. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at a discount rate consistent with the general principles for present value measurement. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible pledges is estimated by management based on such factors as prior collection history, type of contribution and the nature of the fund-raising activity.

As of September 30, 2023 and 2022, SSPI expected to collect contributions receivable within one year.

**In-Kind Contribution**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by SSPI. Noncash donations are recorded as contributions at their fair value on the date of donation.

**Concentration of Credit Risk**

SSPI maintains cash balances and certificates of deposit in several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to statutory limits. SSPI also invests in publicly traded securities and mutual funds, which are not insured.

**SUMMER SCIENCE PROGRAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Concentration of Credit Risk (Continued)**

Financial instruments which potentially subject SSPI to concentrations of credit risk consist principally of cash, cash equivalents and investments. To partially mitigate these risks, SSPI maintains accounts at multiple financial institutions. However, cash balances may exceed the levels of insurance provided by the Federal Deposit Insurance Coverage (FDIC). In addition, SSPI's investment portfolio is exposed to various risks, such as interest rate, market risk and credit risk. At times, cash equivalent and investment values may exceed the levels of insurance provided by the Securities Investor Protection Corporation (SIPC). Because of the level of risk associated with such investments, changes in their values will occur and such changes could materially affect the amounts reported in the accompanying financial statements.

**Concentration of Revenue**

For the year ended September 30, 2023, 99% of grants and contributions were attributable to one donor. There were no concentrations of revenue for the year ended September 30, 2022. As of September 30, 2023, one donor accounted for 100% of SSPI's total contributions receivable, with no donor concentration in 2022.

**Income Taxes**

SSPI is a California nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Accordingly, no provision for income taxes was included in these financial statements.

U.S. GAAP provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes all of the positions taken by SSPI are more likely than not to be sustained upon examination.

**Functional Allocation of Expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include travel, printing, office supplies and insurance, which are allocated based on the nature of the usage. Professional fees and salaries and wages are allocated based on estimate of time spent on each function.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results could differ from those estimates.

**Subsequent Events**

Subsequent events have been evaluated through February 4, 2024, the date that these financial statements were available to be issued. Except as disclosed in Note 9, there were no subsequent events that would require adjustments or disclosures in these financial statements.

**SUMMER SCIENCE PROGRAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New Accounting Announcement Adopted in Current Year – ASC 842 Leases**

In February 2016, Financial Accounting Standard Board (FASB) issued Accounting Standards Updates (ASU) 2016-02, *Leases* (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

SSPI adopted the requirements of the guidance effective October 01, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, while continuing to present the comparative period in accordance with the guidance under the lease standard in effect during that period.

SSPI has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred, and the leases are not included as right-of-use assets and lease liabilities on the statements of financial position. SSPI has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of its ROU assets. SSPI has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component. SSPI has elected to adopt the package of practical expedients available in the year of adoption.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

At September 30, 2023 and 2022, SSPI has \$199,459,953 and \$3,497,060, respectively, of financial assets available within one year of the statements of financial position date to meet cash needs for general expenditures, consisting of cash and cash equivalents, investments and contributions receivable.

As part of the liquidity management plan, SSPI prepares a five-year cash flow forecast annually to assist investment decision making. SSPI designated funds required to meet immediate and short-term (two to five years) cash flow needs into cash, money market funds or CDs. Funds not needed for immediate or short-term needs may be invested in equities, stock, CDs, U.S. Treasury bills, and bonds.

**SUMMER SCIENCE PROGRAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Investments and fair value measurements measured on a recurring basis were as follows at September 30:

2023	Total	Level 1	Level 2	Level 3
Exchange-Traded Funds:				
International Equity	\$ 2,057,682	\$ 2,057,682	\$ -	\$ -
Large Blend	2,728,406	2,728,406	-	-
Corporate Bonds	443,409	443,409	-	-
Mutual Funds:				
Large Blend	1,119,814	1,119,814	-	-
Money Market Funds	100,135	100,135	-	-
Alternative Investments - NAV	176,286	-	-	-
Certificates of Deposit	1,183,747	-	-	-
Total Investments	<u>\$ 7,809,479</u>	<u>\$ 6,449,446</u>	<u>\$ -</u>	<u>\$ -</u>
Recap:				
Investments	\$ 5,233,547			
Restricted Investments	2,575,932			
Total	<u>\$ 7,809,479</u>			
2022	Total	Level 1	Level 2	Level 3
Exchange-Traded Funds:				
International Equity	\$ 1,403,995	\$ 1,403,995	\$ -	\$ -
Large Blend	1,589,207	1,589,207	-	-
Corporate Bonds	172,116	172,116	-	-
Mutual Funds:				
Large Blend	1,082,555	1,082,555	-	-
Money Market Funds	74,227	74,227	-	-
Certificates of Deposit	1,021,018	-	-	-
Total Investments	<u>\$ 5,343,118</u>	<u>\$ 4,322,100</u>	<u>\$ -</u>	<u>\$ -</u>
Recap:				
Investments	\$ 3,066,392			
Restricted Investments	2,276,726			
Total	<u>\$ 5,343,118</u>			

At September 30, 2023 and 2022, certificates of deposit consist of CDs held by 13 recognized financial institutions in the United States of America. At September 30, 2023, maturity dates of the certificates of deposit ranged from December 2023 to August 2025 and interest rates ranged from 0.3% to 5.3%. At September 30, 2022, maturity dates of the certificates of deposit ranged from November 2022 to August 2025 and interest rates ranged from 0.2% to 3.3%.



**SUMMER SCIENCE PROGRAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

Investment income (loss) comprised the following for the years ended September 30:

	2023	2022
Interest and Dividends	\$ 239,062	\$ 117,312
Unrealized Gains (Losses)	728,214	(1,460,935)
Realized Gains	211,422	268,989
Total Investment Income (Loss)	\$ 1,178,698	\$ (1,074,634)

**NOTE 5 LOAN PAYABLE**

On July 27, 2020, SSPI received a loan in the amount of \$186,937 through the Paycheck Protection Program administrated by the U.S. Small Business Administration (SBA) which is part of the Coronavirus Aid Relief and Economic Security Act. On October 12, 2021, SSPI was notified that the loan portion of \$141,008 has been approved for forgiveness by the SBA. Loan forgiveness in the amount of \$141,008 is included in other income in the statements of activities. SSP repaid the remaining loan balance of \$45,929 in October 2021.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on SSPI financial position.

**NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are for the following purposes at September 30:

	2023	2022
Subject to Expenditures for Specific Purpose:		
New Curriculums	\$ -	\$ 35,567
PP&E Program-Restricted	-	3,150
Subject to Passage of Time:		
Use of Observatory	-	1,000
Endowment:		
In Perpetuity:		
Investments	2,056,793	2,040,345
Accumulated Earnings	519,139	236,258
Subtotal	2,575,932	2,276,603
Total	\$ 2,575,932	\$ 2,316,320

**SUMMER SCIENCE PROGRAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

During the years ended September 30, 2023 and 2022, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	2023	2022
Purpose Restrictions Accomplished:		
New Curriculums	\$ 35,567	\$ 53,154
IU Campus	-	20,000
Purdue Campus	6,177	9,894
Chemostats	3,150	-
Use of Observatory	1,000	
NMT Campus	-	37,850
CUB Campus	11,000	11,106
Accumulated Earnings on Endowment	108,000	98,000
Total	\$ 164,894	\$ 230,004

**NOTE 7 ENDOWMENT**

SSPI's endowment consists of a donor-restricted fund for the purpose of supporting SSPI's educational mission, including financial aid, campus operations and administrative support. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**

The board of trustees of SSPI has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, SSPI retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by SSPI in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, SSPI considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of SSPI and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of SSPI
- (7) The investment policies of SSPI

**SUMMER SCIENCE PROGRAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 7 ENDOWMENT (CONTINUED)**

Changes in endowment assets for the years ended on September 30, 2023 and 2022 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets - October 1, 2021	\$ -	\$ 2,726,815	\$ 2,726,815
Contributions	-	113,097	113,097
Investment Return	-	(465,309)	(465,309)
Spending Appropriation	-	(98,000)	(98,000)
Endowment Net Assets - September 30, 2022	-	2,276,603	2,276,603
Contributions	-	16,571	16,571
Investment Return	-	390,758	390,758
Spending Appropriation	-	(108,000)	(108,000)
Endowment Net Assets - September 30, 2023	<u>\$ -</u>	<u>\$ 2,575,932</u>	<u>\$ 2,575,932</u>

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments).

During the years ended September 30, 2023 and 2022, there were no such underwater endowments.

**NOTE 8 CONTRIBUTED NONFINANCIAL ASSETS**

Contributed nonfinancial assets recognized within the statement of activities for the years ended September 30, 2023 and 2022 were as follows:

Nonfinancial Asset	Revenue Recognized		Monetized or Utilized	Utilization in Function	Donor Restrictions	Valuation Technique
	2023	2022				
Teaching Service	\$ 22,763	\$ 32,816	Utilized	Program	None	Market Rate of Salary
Program Discount	10,000	10,000	Utilized	Program	None	Cost of Program

**SUMMER SCIENCE PROGRAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 9 RELATED PARTY TRANSACTIONS**

In July 2023, SSP International, Inc. was incorporated in Delaware as a nonprofit shell corporation. The Chair, Vice Chair and Secretary of SSPI were appointed as the initial officers of the SSP International, Inc.

In October 2023, the board of trustees of SSPI unanimously approved the principal terms of a merger into SSP International, Inc. See Note 8 – Related Parties. The merger plan was structured in such a way to maintain the tax-exempt status and employer identification number of SSPI. In November 2023, the membership of SSPI approved the merger. An Agreement and Plan of Merger (the Agreement) was subsequently filed with the State of California, who approved the Agreement in December 2023. The organization is currently working through the remaining legal and procedural steps needed to complete the merger and anticipates the merger will be completed in the first quarter of 2024. Once the merger has been completed, SSPI (the disappearing corporation) will file for dissolution in California and all assets, liabilities and existing operations will transition to SSP International, Inc. (the surviving corporation). The current board of trustees and employees will transition to SSP International, Inc. once the merger has been finalized.



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