

SSP INTERNATIONAL, INC.
FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2024 AND 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

SSP INTERNATIONAL, INC.
TABLE OF CONTENTS
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

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



INDEPENDENT AUDITORS' REPORT

Board of Directors
SSP International, Inc.
Wilmington, DE

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of SSP International, Inc. (SSPI), which comprise the statements of financial position as of September 30, 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 SSPI as of September 30, 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 (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

CliftonLarsonAllen LLP

Pasadena, California
January 26, 2025

SSP INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 6,711,932	\$ 66,428,200
Investments	67,112,784	5,233,547
Contributions Receivable	127,802,858	127,798,206
Prepaid Expenses and Other Assets	186,395	88,177
Restricted Investments	<u>3,175,056</u>	<u>2,575,932</u>
Total Assets	<u><u>\$ 204,989,025</u></u>	<u><u>\$ 202,124,062</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 361,358	\$ 209,495
NET ASSETS		
Without Donor Restrictions	201,452,611	199,338,635
With Donor Restrictions	<u>3,175,056</u>	<u>2,575,932</u>
Total Net Assets	<u><u>204,627,667</u></u>	<u><u>201,914,567</u></u>
Total Liabilities And Net Assets	<u><u>\$ 204,989,025</u></u>	<u><u>\$ 202,124,062</u></u>

See accompanying Notes to Financial Statements.

**SSP INTERNATIONAL, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Program Fees, Net of			
Financial Aid of \$1,360,850	\$ 1,886,429	\$ -	\$ 1,886,429
Grants and Contributions	352,053	164,865	516,918
In-Kind Donations	10,000	-	10,000
Investment Income	6,573,382	510,259	7,083,641
Other Income	12,887	-	12,887
Net Assets Released from Restrictions	76,000	(76,000)	-
Total Revenue and Support	<u>8,910,751</u>	<u>599,124</u>	<u>9,509,875</u>
EXPENSES			
Program	5,392,226	-	5,392,226
Management and General	967,372	-	967,372
Fundraising and Alumni Relations	437,177	-	437,177
Total Expenses	<u>6,796,775</u>	<u>-</u>	<u>6,796,775</u>
CHANGE IN NET ASSETS	2,113,976	599,124	2,713,100
Net Assets - Beginning of Year	<u>199,338,635</u>	<u>2,575,932</u>	<u>201,914,567</u>
NET ASSETS - END OF YEAR	<u><u>\$ 201,452,611</u></u>	<u><u>\$ 3,175,056</u></u>	<u><u>\$ 204,627,667</u></u>

See accompanying Notes to Financial Statements.

**SSP INTERNATIONAL, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
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	<u>198,775,275</u>	<u>259,612</u>	<u>199,034,887</u>
EXPENSES			
Program	2,035,909	-	2,035,909
Management and General	438,691	-	438,691
Fundraising and Alumni Relations	205,272	-	205,272
Total Expenses	<u>2,679,872</u>	<u>-</u>	<u>2,679,872</u>
CHANGE IN NET ASSETS	196,095,403	259,612	196,355,015
Net Assets - Beginning of Year	<u>3,243,232</u>	<u>2,316,320</u>	<u>5,559,552</u>
NET ASSETS - END OF YEAR	<u><u>\$ 199,338,635</u></u>	<u><u>\$ 2,575,932</u></u>	<u><u>\$ 201,914,567</u></u>

See accompanying Notes to Financial Statements.

SSP INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2024

	Program					
	Summer Science Program	SSP Connect	Outreach	Management and General	Fundraising and Alumni Relations	Total
Salaries and Wages	\$ 2,168,847	\$ 41,783	\$ 131,275	\$ 453,063	\$ 274,967	\$ 3,069,935
Site Expenses	1,849,866	-	-	-	-	1,849,866
Professional Fees	309,209	-	279,740	381,574	20,873	991,396
Travel and Meetings	295,367	-	-	71,223	78,450	445,040
Program Stipends	165,507	-	-	-	-	165,507
Supplies and Software Services	52,421	-	-	35,116	37,565	125,102
Bank Transaction Fees	39,473	-	-	453	4,162	44,088
Insurance	20,281	-	-	13,730	-	34,011
Printing and Publications	2,792	-	-	1,733	16,570	21,095
Participant Recruiting	19,962	-	-	-	-	19,962
Other Expenses	15,703	-	-	10,480	4,590	30,773
Total Functional Expenses	<u>\$ 4,939,428</u>	<u>\$ 41,783</u>	<u>\$ 411,015</u>	<u>\$ 967,372</u>	<u>\$ 437,177</u>	<u>\$ 6,796,775</u>

See accompanying Notes to Financial Statements.

SSP INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2023

	Program					
	Summer Science Program	SSP Connect	Outreach	Management and General	Fundraising and Alumni Relations	Total
Salaries and Wages	\$ 770,080	\$ 2,222	\$ 17,892	\$ 82,489	\$ 103,306	\$ 975,989
Site Expenses	772,978	-	-	-	-	772,978
Professional Fees	236,286	6,076	48,971	284,822	59,670	635,825
Travel and Meetings	78,175	-	-	53,154	15,300	146,629
Program Stipends	48,206	-	-	-	-	48,206
Supplies and Software Services	22,205	-	-	11,250	7,806	41,261
Bank Transaction Fees	2,262	-	-	16	5,035	7,313
Insurance	12,953	-	-	3,648	-	16,601
Printing and Publications	12,117	-	-	996	13,107	26,220
Participant Recruiting	5,443	-	-	-	-	5,443
Other Expenses	43	-	-	2,316	1,048	3,407
Total Functional Expenses	<u>\$ 1,960,748</u>	<u>\$ 8,298</u>	<u>\$ 66,863</u>	<u>\$ 438,691</u>	<u>\$ 205,272</u>	<u>\$ 2,679,872</u>

See accompanying Notes to Financial Statements.

SSP INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 2,713,100	\$ 196,355,015
Adjustments to Reconcile Net Income to Net Cash		
Provided (Used) by Operating Activities:		
Realized and Unrealized Gains on Investments	(4,391,250)	(939,636)
Contributions Restricted for Endowment	(78,865)	(16,571)
Changes in Assets and Liabilities:		
Contributions Receivable	(4,652)	(127,767,729)
Prepaid Expenses and Other Assets	(98,218)	(52,615)
Accounts Payable and Accrued Expenses	151,863	(79,018)
Net Cash Provided (Used) by Operating Activities	<u>(1,708,022)</u>	<u>67,499,446</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(64,007,878)	(3,276,146)
Proceeds from Sale of Investments	<u>5,920,767</u>	<u>1,749,421</u>
Net Cash Used by Investing Activities	<u>(58,087,111)</u>	<u>(1,526,725)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted for Endowment	<u>78,865</u>	<u>16,571</u>
Net Cash Provided by Financing Activities	<u>78,865</u>	<u>16,571</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(59,716,268)	65,989,292
Cash And Cash Equivalents - Beginning of Year	<u>66,428,200</u>	<u>438,908</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 6,711,932</u></u>	<u><u>\$ 66,428,200</u></u>

See accompanying Notes to Financial Statements.

SSP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 1 NATURE OF THE ORGANIZATION

Summer Science Program, Inc. ("SSP") is a nonprofit organization originally incorporated in 1999 under the laws of the State of California. In July 2023, SSP International, Inc. ("SSPI") was established as a nonprofit corporation in Delaware to serve as the successor entity to Summer Science Program, Inc. This transition, executed through a merger agreement, transferred all assets, liabilities, net assets, operations, and governance structures from SSP to SSPI. The reorganization was undertaken to facilitate the organization's growth and ensure long-term sustainability, while continuing to advance its mission of providing participants with immersive, transformational opportunities to learn, do, and belong in science.

Through SSPI's flagship program, the Summer Science Program, SSPI offers summer residential programs at various university campuses in the United States, where students engage in rigorous academic coursework and conduct independent research projects in astrophysics, biochemistry, and other STEM fields under the guidance of professional scientists, faculty, and alumni mentors.

Effective January 1, 2025, SSPI changed its fiscal year-end from September 30 to December 31. The change was made to better align SSPI's reporting cycle with its operations. SSPI's bylaws were amended accordingly.

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.

SSP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**SSP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Directors, 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 Directors authorizes a transfer of up to 5% of the endowment balance as of the end of the previous fiscal year.

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.

SSP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2024 and 2023, 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, 2024 and 2023, 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.

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, 2024. As of September 30, 2024 and 2023, one donor accounted for 99% of SSPI's total contributions receivable.

SSP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

SSPI is a Delaware 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 January 26, 2025, the date that these financial statements were available to be issued. Except as disclosed in Note 1 and Note 3 of the financial statements, there were no other subsequent events that would require adjustments or disclosures in these financial statements.

New Accounting Pronouncements Adopted During the Year

SSPI has adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on the Financial Instruments*, as amended, which modifies the measurement of expected credit losses. SSPI adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on SSPI's financial statements but changed how the allowance for credit losses is determined.

SSP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 3 LIQUIDITY AND AVAILABILITY

At September 30, 2024 and 2023, SSPI has \$201,617,565 and \$199,459,953, 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 multi-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.

On October 30, 2024, SSPI received a distribution of \$53,028,460 related to a significant outstanding receivable. This receivable was recorded as of September 30, 2024 and 2023, and was considered fully collectible at year-end. The partial distribution of this receivable confirms the assessment of its recoverability as presented in the financial statements. The collection of this material receivable has strengthened SSPI's liquidity position and will support ongoing operational and strategic initiatives.

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS

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

2024	Total	Level 1	Level 2	Level 3	NAV
Exchange-Traded Funds:					
International Equity	\$ 8,919,432	\$ 8,919,432	\$ -	\$ -	\$ -
Large Blend	11,540,159	11,540,159	-	-	-
Mid/Small Cap	6,008,902	6,008,902	-	-	-
Corporate Bonds	15,678,243	15,678,243	-	-	-
Mutual Funds:					
Mid/Small Cap	187,414	187,414	-	-	-
Money Market Funds	453,821	453,821	-	-	-
Public Market Private Funds	26,815,163	-	-	-	26,815,163
Alternative Investments	151,772	-	-	-	151,772
Cash Reserves	532,934	-	-	-	-
Total Investments	<u>\$ 70,287,840</u>	<u>\$ 42,787,971</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,966,935</u>
Recap:					
Investments	\$ 67,112,784				
Restricted Investments	3,175,056				
Total	<u>\$ 70,287,840</u>				

SSP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

2023	Total	Level 1	Level 2	Level 3	NAV
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	176,286	-	-	-	176,286
Certificates of Deposit	1,183,747	-	-	-	-
Total Investments	<u>\$ 7,809,479</u>	<u>\$ 6,449,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,286</u>
Recap:					
Investments	\$ 5,233,547				
Restricted Investments	2,575,932				
Total	<u>\$ 7,809,479</u>				

SSPI holds investments in public market private funds and an alternative investment that have limited liquidity due to redemption restrictions or other contractual terms. These investments are measured at fair value based on the net asset value (NAV) per share (or its equivalent) as reported by the fund managers, which represents the exit price as of the measurement date. The terms and conditions for these investments include monthly liquidity with notice periods of either 30 days prior to month-end or by the 20th day of the prior month. There are not any significant restrictions on SSPI's ability to sell or redeem these investments. These investments are part of SSPI's broader investment strategy, and there is currently no expected timing of liquidation for the investments that are not redeemable as of September 30, 2024. Management, together with SSPI's investment firm, continuously evaluates the classification and measurement of these investments to ensure they align with applicable accounting guidance and market practices.

The long-term allocation for SSPI includes various alternative investments. As of September 30, 2024, SSPI has entered into subscriptions for five separate private equity funds. While no capital has been called to date, the total commitment to these alternative investments is \$24 million, expected to be called in tranches over the next 5 years.

Investment income comprised the following for the years ended September 30:

	2024	2023
Interest and Dividends	\$ 2,743,039	\$ 239,062
Unrealized Gains	1,658,480	728,214
Realized Gains	2,732,770	211,422
Less: Investment Management Fees	(50,648)	-
Total Net Investment Income	<u>\$ 7,083,641</u>	<u>\$ 1,178,698</u>

SSP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

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

	2024	2023
Subject to Expenditures for Specific Purpose:		
Financial Aid	\$ 10,000	\$ -
Endowment:		
In Perpetuity	2,135,658	2,056,793
Accumulated Earnings	1,029,398	519,139
Subtotal	3,165,056	2,575,932
Total	<u>\$ 3,175,056</u>	<u>\$ 2,575,932</u>

During the years ended September 30, 2024 and 2023, 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:

	2024	2023
Purpose Restrictions Accomplished:		
IU Campus	\$ 31,667	\$ -
Purdue Campus	33,333	6,177
CUB Campus	10,000	11,000
New Curriculums	-	35,567
Chemostats	-	3,150
Use of Observatory	1,000	1,000
Accumulated Earnings on Endowment	-	108,000
Total	<u>\$ 76,000</u>	<u>\$ 164,894</u>

NOTE 6 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 Directors 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.

SSP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 6 ENDOWMENT (CONTINUED)

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

Changes in donor restricted endowment assets for the years ended on September 30, 2024 and 2023 are as follows:

Endowment Net Assets - September 30, 2022	\$ 2,276,603
Contributions	16,571
Investment Return	390,758
Spending Appropriation	<u>(108,000)</u>
Endowment Net Assets - September 30, 2023	2,575,932
Contributions	78,865
Investment Return	510,259
Spending Appropriation	<u>-</u>
Endowment Net Assets - September 30, 2024	<u><u>\$ 3,165,056</u></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, 2024 and 2023, there were no such underwater endowments.

NOTE 7 CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets recognized within the statement of activities for the years ended September 30, 2024 and 2023 were as follows:

Nonfinancial Asset	Recognized		Monetized or Utilized	Utilization in Function	Donor Restrictions	Valuation Technique
	2024	2023				
Teaching Service	\$ -	\$ 22,763	Utilized	Program	None	Market Rate of Salary
Program Discount	10,000	10,000	Utilized	Program	None	Cost of Program



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.