

POINT FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

POINT FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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WE ARE AN INDEPENDENT MEMBER OF
THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK

**AUDIT
AND
ASSURANCE**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Point Foundation

Opinion

We have audited the financial statements of Point Foundation, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Point Foundation as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Point Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 Point Foundation'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 Point Foundation'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.

Green Hasson & Janks LLP

December 1, 2023
Los Angeles, California

POINT FOUNDATION

STATEMENT OF FINANCIAL POSITION Year Ended June 30, 2023

ASSETS	Without Donor Restrictions	With Donor Restrictions	Total
Cash and Cash Equivalents	\$ 858,435	\$ -	\$ 858,435
Investments	6,002,997	10,879,003	16,882,000
Pledges Receivable (Net)	357,332	1,950,188	2,307,520
Prepaid Expenses and Other Assets	128,840	-	128,840
Property and Equipment (Net)	59,406	-	59,406
TOTAL ASSETS	\$ 7,407,010	\$ 12,829,191	\$ 20,236,201
LIABILITIES AND NET ASSETS			
LIABILITIES:			
Accounts Payable and Accrued Expenses	\$ 94,159	\$ -	\$ 94,159
Accrued Payroll Liabilities	361,951	-	361,951
TOTAL LIABILITIES	456,110	-	456,110
NET ASSETS:			
Without Donor Restrictions - Undesignated	4,393,319	-	4,393,319
Without Donor Restrictions - Board Designated	2,557,581	-	2,557,581
With Donor Restrictions - Perpetual Endowment	-	3,338,758	3,338,758
With Donor Restrictions - Other	-	9,502,001	9,502,001
With Donor Restrictions - Underwater Endowments	-	(11,568)	(11,568)
TOTAL NET ASSETS	6,950,900	12,829,191	19,780,091
TOTAL LIABILITIES AND NET ASSETS	\$ 7,407,010	\$ 12,829,191	\$ 20,236,201

The Accompanying Notes are an Integral Part of These Financial Statements

POINT FOUNDATION

STATEMENT OF ACTIVITIES Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS AND LOSSES, AND SUPPORT:			
Contributions	\$ 2,873,664	\$ 2,494,823	\$ 5,368,487
Bequests	638,968	4,027,250	4,666,218
Investment Return (Net)	413,553	323,871	737,424
Special Events (Net of Direct Special Event Expenses of \$5,810)	32,210	-	32,210
In-Kind Contributions	43,711	-	43,711
Other	51,507	-	51,507
Loss on Write-Off of Uncollectable Pledges Receivable	(45,700)	(50,018)	(95,718)
Net Assets Released from:			
Purpose Restrictions	2,371,482	(2,371,482)	-
Time Restrictions	324,932	(324,932)	-
TOTAL REVENUE, GAINS AND LOSSES, AND SUPPORT	6,704,327	4,099,512	10,803,839
EXPENSES:			
Program Services:			
Scholarship and Scholar Support	3,098,452	-	3,098,452
Leadership Conferences and Training	1,087,112	-	1,087,112
Scholar Selections	477,923	-	477,923
TOTAL PROGRAM SERVICES	4,663,487	-	4,663,487
Supporting Services:			
Management and General	402,799	-	402,799
Fundraising and Development	658,063	-	658,063
TOTAL SUPPORTING SERVICES	1,060,862	-	1,060,862
TOTAL EXPENSES	5,724,349	-	5,724,349
CHANGE IN NET ASSETS	979,978	4,099,512	5,079,490
Net Assets - Beginning of Year	5,970,922	8,729,679	14,700,601
NET ASSETS - END OF YEAR	\$ 6,950,900	\$ 12,829,191	\$ 19,780,091

The Accompanying Notes are an Integral Part of These Financial Statements

POINT FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

	Program Services				Supporting Services			Total Expenses
	Scholarship and Scholar Support	Leadership Conferences and Training	Scholar Selections	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	
Salaries	\$ 809,653	\$ 567,274	\$ 288,866	\$ 1,665,793	\$ 244,569	\$ 359,441	\$ 604,010	\$ 2,269,803
Direct Scholarship Expenses	1,623,614	18,908	-	1,642,522	-	-	-	1,642,522
Professional Fees and Consultants	190,430	153,426	41,611	385,467	12,786	108,320	121,106	506,573
Employee Benefits and Taxes	149,365	104,651	53,290	307,306	45,118	66,310	111,428	418,734
Office Expenses	76,058	47,243	21,618	144,919	16,790	30,846	47,636	192,555
Conferences and Events	54,629	58,207	5,932	118,768	4,523	69,248	73,771	192,539
Public Awareness and Promotion	74,810	50,193	31,959	156,962	2,585	3,406	5,991	162,953
Occupancy	60,616	36,870	17,846	115,332	13,842	7,527	21,369	136,701
Travel	29,705	26,324	8,368	64,397	5,404	10,696	16,100	80,497
Information Technology	29,572	17,582	8,433	55,587	6,430	2,269	8,699	64,286
In-Kind Expense	-	6,434	-	6,434	37,277	-	37,277	43,711
Miscellaneous	-	-	-	-	13,475	-	13,475	13,475
TOTAL FUNCTIONAL EXPENSES	\$ 3,098,452	\$ 1,087,112	\$ 477,923	\$ 4,663,487	\$ 402,799	\$ 658,063	\$ 1,060,862	\$ 5,724,349
	55%	19%	7%	81%	7%	12%	19%	100%

The Accompanying Notes are an Integral Part of These Financial Statements

POINT FOUNDATION

STATEMENT OF CASH FLOWS Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ 5,079,490
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:	
Unrealized Gain on Investments	(301,043)
Realized Gain on Sale of Investments	(5,309)
Contributions Restricted for Investment in Perpetuity	(5,800)
Depreciation	21,955
Loss on Write-off of Uncollectable Pledges Receivable	95,718
Increase in:	
Pledges Receivable	(932,595)
Prepaid Expenses and Other Assets	(53,320)
Increase (Decrease) in:	
Accounts Payable and Accrued Expenses	(94,153)
Accrued Payroll Liabilities	50,354

NET CASH PROVIDED BY OPERATING ACTIVITIES 3,855,297

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Property and Equipment	(23,126)
Interest and Dividends Reinvested	(408,529)
Proceeds on Sale of Investments	9,699,234
Purchase of Investments	(13,568,750)

NET CASH USED IN INVESTING ACTIVITIES (4,301,171)

CASH PROVIDED BY FINANCING ACTIVITIES:

Contributions Restricted for Investment in Perpetuity	5,800
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NET DECREASE IN CASH AND CASH EQUIVALENTS (440,074)

Cash and Cash Equivalents - Beginning of Year 1,298,509

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 858,435

The Accompanying Notes are an Integral Part of These Financial Statements

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 - ORGANIZATION

Mission and Programs

Point Foundation (Point) is the nation's largest publicly supported organization granting scholarships to lesbian, gay, bisexual, transgender, and queer (LGBTQ) students. Founded in 2001, Point was specifically organized to become a national and intergenerational organization, with one generation giving a helping hand to the next generation. Point is a non-profit corporation, classified by the Internal Revenue Service as a 501(c)(3) publicly supported organization.

Point empowers promising LGBTQ students to achieve their full academic and leadership potential - despite the obstacles often put before them - to make a significant impact on society. By helping these students obtain a solid educational foundation, Point is building a generation of leaders, committed both to personal achievement and to increasing acceptance and understanding within society as a whole.

Point provides scholarships to LGBTQ students through four programs:

- Point Flagship Scholars Program - our unique blend of scholarship funding, one-on-one mentorship, and leadership development for those in a four-year undergraduate program or in graduate school.
- Community College Program - combining one- or two-year financial grants with invaluable college coaching designed to ensure students' success and encourage continued education.
- BIPOC Scholarship Program - This scholarship fund is specifically designed to benefit LGBTQ students who are Black, Indigenous and People of Color (BIPOC) who are attending full or part-time college.
- Opportunity Grant Program - giving financial assistance to promising students with a one-time grant award.

In addition to scholarship funding, Point provides leadership development opportunities to scholars through an annual series of in-person and virtual leadership events including a biannual National Leadership Conference for Flagship Scholars, the Community College Conference, BIPOC Scholar Expert Coaching Panels, and professional development workshops designed to enhance each scholar's leadership and personal potential, including training in such areas as achieving excellence, community service, LGBTQ history, personal financial planning and establishing professional networks. In exchange, all Point Flagship Scholars agree to maintain a high level of academic performance and community engagement.

Point Scholars are diverse in the fullest sense of the word - in terms of their educational fields of study, gender identities, gender expressions, sexual orientations, racial and ethnic backgrounds, ages, and geographical bases. They are exceptionally ambitious students with tremendous leadership potential. Their career goals include serving as corporate and government leaders, attorneys, doctors, university administrators, writers, artists, and educators. All are committed to using their talents and education to contribute to a just and equitable society.

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 - ORGANIZATION (continued)

Mission and Programs (continued)

As of June 30, 2023, 805 former Point Scholars - 408 Flagship scholars and 205 Community College scholars, and 192 BIPOC Scholars - have become Point Alumni who have completed their educational programs and are now pursuing their life and career goals. Point supported a total of 558 scholarship recipients for the 2022-2023 academic year: 70 Flagship Scholars, 91 Community College Scholars, 280 BIPOC Scholars, and 117 Opportunity Grant recipients. Some Point alumni serve as mentors, members of Point's National Board of Directors or members of Point's Board of Trustees and are serving as members of key committees, thus fulfilling one of the key ideals of Point; that is, having alumni return to Point in leadership roles. The activities of Point are administered from offices in California and New York.

Governance and Volunteers

Strategic direction and governance of Point is provided by an independent, volunteer National Board of Directors. Additional governance, program and fundraising capacity are provided by independent, volunteer members of Point's Board of Trustees.

Point can only operate successfully and efficiently with the help and effort of a large number of non-compensated volunteers who assist Point's staff of 21 employees in achieving the goals of Point's various service programs. For the year ended June 30, 2023, Point had more than 550 volunteers who donated their time as directors, trustees, mentors, application readers, and conference & leadership presenters. In total for the year, these volunteers contributed more than 6,300 hours of service. The value of this contributed time is not reflected in the accompanying financial statements as it does not meet the recognition criteria under generally accepted accounting principles. In addition, all volunteers pay their own personal expenses associated with attending Point meetings and events, without charging Point, thereby eliminating any additional operating expenses.

Fiscal 2023 Performance

Point continued to manage operating expenses while supporting an increased number of scholars this year.

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) ACCOUNTING

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

- **Net Assets Without Donor Restrictions.** Net assets available for use in general operations and not subject to donor-imposed restrictions. The Board of Directors (the Board) has designated, from net assets without donor restrictions, net assets for a board designated scholarship and a reserve fund.
- **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. Point has elected to adopt a policy whereby donor-restricted contributions, whose restrictions are met in the same reporting period, are recognized as revenue without donor restrictions.

(c) CASH AND CASH EQUIVALENTS

Point considers cash on hand and deposits in banks with an original maturity of three months or less to be cash and cash equivalents. The carrying value of cash and cash equivalents approximates its fair value at June 30, 2023.

Point maintains its cash and cash equivalents in bank deposit and other investment accounts which may, at times, exceed federally insured limits. Point has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) INVESTMENTS

Investments in equity and debt securities with readily determinable market values are reported at fair value. The fair value of investments is valued at the closing price on the last business day of the fiscal year. Securities are generally held in custodial investment accounts administered by financial institutions. Investments in alternative investments are valued using net asset value per share (NAV) of units held by Point. Investment purchases and sales are accounted for on a trade-date basis. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based upon the ex-dividend date. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Unrealized gains and losses are included in investment return in the statement of activities and represent the change in the difference between the cost and fair value of investments held at the end of the fiscal year.

The fair value of investments in marketable equity securities and debt securities are based upon market quotations and are managed by outside investment managers contracted by Point. For donated investments, cost is determined by the fair value of the asset on the date the asset is received by Point.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

(e) PLEDGES RECEIVABLE

Contributions, including endowment gifts and pledges, as well as unconditional promises to give, are recognized as revenue in the period promised. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not included as revenue until such time as the conditions on which they depend have been substantially met. Discounts for pledges (pledges due over one year) are recorded as reductions to contribution revenue and pledges receivable. Discounts increase contribution revenue when the pledge is received.

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) BEQUESTS

From time-to-time, Point is named as a beneficiary in a bequest. Bequests are not recognized as support until all of the following conditions are met: the demise of the testator, the amount of the bequest is known, Point is certain that, based on the estate's net assets, the amount bequeathed is realizable and the probate court has declared the will valid.

(g) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost if purchased or at fair value at the date of donation, if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$1,500 and the useful life is greater than two years. The estimated useful lives are as follows:

Office Furniture and Equipment	3 - 7 Years
Computer Equipment	2 - 5 Years

(h) LONG-LIVED ASSETS

Point reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized on long-lived assets during the year ended June 30, 2023.

(i) IN-KIND CONTRIBUTIONS

In-kind contributions are recorded as contributions at their estimated fair value in the period received and expensed when utilized. In-kind contributions are valued based upon estimates of fair market value that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. In-kind contributions are not sold but rather used for Point's operations.

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) IN-KIND CONTRIBUTIONS (continued)

In-kind contributions that consist of donated services are recognized at fair value if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

A substantial number of volunteers have donated significant amounts of their time to Point; however, the value of these services is not reflected in these financial statements because the criteria for recognition have not been satisfied.

(j) SCHOLARSHIP EXPENSES

Point has four separate scholarship programs - Flagship, Community College, BIPOC and Opportunity awards. Scholarships cover both academic costs and leadership opportunities. Expenses for tuition, room and board, books and related expenses are accrued at July 1 of each year, for one year only. All awards must be used during the period July 1 through June 30. No balances are carried over into the next fiscal year.

Flagship scholars may renew their scholarships on a yearly basis for the duration of their initial degree request by completing a continuing award application and complying with Point's Contract of Excellence. If a scholar desires an additional degree, they must make a separate application.

In the spring of 2023, the Board approved 71 Flagship scholarships, 96 Community College and 95 BIPOC scholarships for fiscal year 2024 totaling \$843,543, \$456,000 and \$142,500, respectively. These scholarships are contingent upon the proposed scholars being admitted to an accredited college, agreeing to and remaining compliant with the Contract of Excellence, and submitting proper documentation.

(k) INCOME TAXES

Point is exempt from taxation under Internal Revenue Code Section 501(c)(3) and comparable state codes.

In accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification Topic 740, *Uncertainty in Income Taxes*, Point recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. During the year ended June 30, 2023, Point performed an evaluation of uncertain tax positions and did not note any matters that would require recognition in the financial statements or which might have an effect on its tax-exempt status.

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) FUNCTIONAL ALLOCATION OF EXPENSES

The direct costs of providing Point's programs and other activities that are identifiable have been allocated to the related programs or supporting services. Indirect or shared costs are allocated among program and supporting services by the method that best measures the relative degree of benefit. Point uses proportional salary dollars and square footage to allocate indirect costs.

(m) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses as of the date and for the period presented. Actual results could differ from those estimates.

(n) NEW ACCOUNTING PRONOUNCEMENTS

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss impairment methodology previously used for certain financial instruments with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates in their measurement. The guidance has subsequently been amended through a series of targeted ASUs. For Point, the ASU and the subsequent amendments will be effective for the year ending June 30, 2024, and is expected to be adopted using the modified-retrospective approach.

(o) SUBSEQUENT EVENTS

Point has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2023 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through December 1, 2023 the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS June 30, 2023

NOTE 3 - INVESTMENTS

Point has implemented the fair value accounting standard. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets (or liabilities). Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices in active markets, interest rates and yield curves. Fair values determined by Level 3 utilize unobservable inputs for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability).

The following table presents information about Point's investment assets that are measured at fair value on a recurring basis at June 30, 2023 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Fair Value Measurements Using				
	Year Ended June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value Per Share or its Equivalent (NAV)
Mutual Funds	\$ 9,082,342	\$ 9,082,342	\$ -	\$ -	\$ -
Corporate Bonds	942,751	-	942,751	-	-
Corporate Equities	260,075	260,075	-	-	-
Treasury Securities	5,947,707	5,947,707	-	-	-
Federal Agencies	96,344	96,344	-	-	-
Alternative Investment	223,088	-	-	-	223,088
Money Market	329,693	329,693	-	-	-
TOTAL					
INVESTMENTS	\$ 16,882,000	\$ 15,716,161	\$ 942,751	\$ -	\$ 223,088

The fair values of investments within Level 1 inputs were obtained based on quoted market prices at the closing of the last business day of the fiscal year. These investments can be redeemed daily.

The fair values of investments within Level 2 inputs were obtained based on data points that are observable, such as quoted prices in active markets, interest rates and yield curves.

The fair value of the alternative investment in private credit was based on the net asset value per share (NAV) of units held by Point. These types of investments (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Such investments are valued using the NAV provided by the fund managers. The alternative investment offers quarterly liquidity through a tender offer and there are no unfunded commitments as of June 30, 2023.

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 4 - PLEDGES RECEIVABLE

Pledges receivable (net) at June 30, 2023 are due to be received as follows:

Less than One Year	\$ 1,776,569
Two to Five Years	<u>640,617</u>
TOTAL	2,417,186
Less: Allowance for Doubtful Accounts	(91,237)
Less: Discount at 1.0% - 5.0%	<u>(18,429)</u>
PLEDGES RECEIVABLE (NET)	<u>\$ 2,307,520</u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2023:

Office Furniture and Equipment	\$ 2,239
Computer Equipment	<u>113,104</u>
TOTAL	115,343
Accumulated Depreciation	<u>(55,937)</u>
PROPERTY AND EQUIPMENT (NET)	<u>\$ 59,406</u>

Depreciation expense for the year ended June 30, 2023 was \$21,955.

NOTE 6 - COMMITMENT

Point has an employment agreement with a key employee that expires in 2024, and includes a severance payment clause, dependent on the termination terms, ranging from four to six months of the employee's base salary.

NOTE 7 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Point's net assets without donor restrictions is comprised of undesignated and Board designated amounts for the following purposes at June 30, 2023:

Undesignated	\$ 4,393,319
Board Designated Reserve	1,824,123
Board Designated Named Scholarship Fund	<u>733,458</u>
TOTAL	<u>\$ 6,950,900</u>

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 7 - NET ASSETS WITHOUT DONOR RESTRICTIONS (continued)

Board Designated Reserve: The Board has designated \$1,824,123 of net assets without donor restrictions as a reserve to provide liquidity for emergency needs. There were no releases during the year ended June 30, 2023.

Board Designated Named Scholarship Fund: The Board has designated \$733,458 as a scholarship fund to honor a former donor. Each year, certain of these funds are released to cover scholarships and during the year ended June 30, 2023, \$25,000 was released from the board designated named scholarship fund to cover scholarship expenses.

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30, 2023:

Endowment Funds	\$ 3,338,758
Endowment Income	1,330,349
Underwater Endowments	(11,568)
Named Scholars	7,587,569
Time Restricted	<u>584,083</u>
TOTAL	<u>\$ 12,829,191</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2023:

Satisfaction of Purpose Restrictions and Expiration of Time Restrictions:	
Named Scholars	\$ 2,371,482
Time Restrictions	<u>324,932</u>
TOTAL	<u>\$ 2,696,414</u>

NOTE 9 - ENDOWMENT FUNDS

Point's endowment is classified under net assets with donor restrictions. All such funds are invested in mutual funds, certificates of deposit, alternative investments, and corporate bonds (See Note 3).

Point's management understands California State law as (1) requiring the preservation of the fair value of the original gifts as of the gift date of the donor restricted endowment funds, absent donor stipulations to the contrary and (2) allowing the spending of income and gains on permanently restricted endowments, absent explicit donor stipulations that all or a portion of such gains be maintained in perpetuity.

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 9 - ENDOWMENT FUNDS (continued)

The primary long-term financial objective for Point's endowment is to preserve the real (inflation- adjusted) purchasing power of endowment assets and income after accounting for endowment spending, inflation and costs of portfolio management. The endowment is also managed to optimize the long-run total rate of return on invested assets, assuming a prudent level of risk. Over the short term, the return for each element of the endowment portfolio should match or exceed each of the returns for the broader capital markets in which assets are invested.

The gifts and cash received on pledges receivable specifically for the endowment are categorized as endowment funds. Included in the endowment are six endowed named scholarships. In accordance with the donor's intent and to the extent possible, the income earned in one year on these endowed named scholarship assets will be released to fund the named scholarship in the following fiscal year.

Further, Point's Board (after consideration of the recommendations of Point's Finance Committee) will generally consider a target spending policy equal to approximately 5% of the endowment's average three-year portfolio value. During the year ended June 30, 2023, the Board elected to make a \$91,000 general distribution from the endowment funds in accordance with the spending policy.

The net income earned on the non-named scholarship endowment investments is categorized as time restricted for future periods. The net income earned on the investments of the six endowed named scholarships and the funds released to cover the expense of the named scholarship are categorized as part of donor restricted for purpose funds. During the year ended June 30, 2023, Point released funds of \$75,000 to cover the expense of these named scholarships.

From time to time, the endowment named scholarship funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). Point does not spend from underwater endowments. At June 30, 2023 one funds with an original gift value of \$500,000 had a fair value of \$488,432, and accordingly, a deficiency of \$11,568 is reported in net assets with donor restrictions. Changes in endowment funds for the year ended June 30, 2023 are as follows:

	Donor Restricted Endowment Income	Donor Restricted Permanent Endowment	Total
Net Assets -			
Beginning of Year	\$ 1,160,910	\$ 3,332,958	\$ 4,493,868
Investment Return (Net)	335,439	-	335,439
Underwater Endowments	-	(11,568)	(11,568)
Releases	(166,000)	-	(166,000)
Contributions	-	5,800	5,800
	NET ASSETS -		
	END OF YEAR	\$ 3,327,190	\$ 4,657,539
	\$ 1,330,349	\$ 3,327,190	\$ 4,657,539

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS June 30, 2023

NOTE 10 - IN-KIND CONTRIBUTIONS

During the year ended June 30, 2023, in-kind contributions were comprised of the following:

Category	Valuation	Amount
Professional Fees and Consultants - Management and General	Standard hourly rate charged by law firms	\$ 37,277
Transportation	Standard industry price	6,434
TOTAL IN-KIND CONTRIBUTIONS		\$ 43,711

NOTE 11 - EMPLOYEE BENEFIT PLAN

Point has a 403(b) defined contribution plan covering substantially all employees. Point matches each employee's contribution up to a maximum of 3% of the employee's salary annually. Employer contributions under this plan for the year ended June 30, 2023 were \$52,893.

NOTE 12 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

Point's financial assets that are available for general expenditure within one year of the statement of financial position date are summarized in the following table:

Financial Assets at June 30, 2023:	
Cash and Cash Equivalents	\$ 858,435
Investments	16,882,000
Pledges Receivable (Net)	2,307,520
TOTAL FINANCIAL ASSETS AT JUNE 30, 2023	20,047,955
Less Amounts Not Available to Be Used within One Year, Due to:	
Board Designations (Net of Budgeted Release of \$25,000)	(2,532,581)
Donor Restricted Endowment (Net of Underwater Endowment)	(3,327,190)
Funds Held with Purpose Restrictions or Subject to Appropriation:	(5,575,718)
Pledges Restricted by Purpose and/or Time	(1,418,617)
FINANCIAL ASSETS AVAILABLE TO GENERAL EXPENDITURES WITHIN ONE YEAR	\$ 7,193,849

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS **June 30, 2023**

NOTE 12 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (continued)

Point regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. As part of Point's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The Board has designated a portion of net assets without donor restrictions to provide resources for a reserve fund. At June 30, 2023, Point has \$1,824,123 of Board designated reserve funds that could be released to fund any shortfalls in operating needs. The Board has budgeted \$25,000 to be released from the board designations total of \$2,557,581 for purposes of funding operations for the year ending June 30, 2024.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Point considers pledges receivable with time restrictions that are expected to be collected in the next fiscal year as available for general expenditures.