

POINT FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

POINT FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

CONTENTS

	Page
Independent Auditor's Report	1
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses.....	5
Statement of Cash Flows	6
Notes to Financial Statements	7



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, 2022, 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, 2022, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 15, 2022
Los Angeles, California

POINT FOUNDATION

STATEMENT OF FINANCIAL POSITION
Year Ended June 30, 2022

ASSETS	Without Donor Restrictions	With Donor Restrictions	Total
Cash and Cash Equivalents	\$ 1,298,509	\$ -	\$ 1,298,509
Investments	4,974,944	7,322,659	12,297,603
Pledges Receivable (Net)	63,623	1,407,020	1,470,643
Prepaid Expenses and Other Assets	75,520	-	75,520
Property and Equipment (Net)	58,235	-	58,235
TOTAL ASSETS	\$ 6,470,831	\$ 8,729,679	\$ 15,200,510
LIABILITIES AND NET ASSETS			
LIABILITIES:			
Accounts Payable and Accrued Expenses	\$ 188,312	\$ -	\$ 188,312
Accrued Payroll Liabilities	311,597	-	311,597
TOTAL LIABILITIES	499,909	-	499,909
NET ASSETS:			
Without Donor Restrictions - Undesignated	3,570,983	-	3,570,983
Without Donor Restrictions - Board Designated	2,399,939	-	2,399,939
With Donor Restrictions - Perpetual Endowment	-	3,399,271	3,399,271
With Donor Restrictions - Other	-	5,396,721	5,396,721
With Donor Restrictions - Underwater Endowments	-	(66,313)	(66,313)
TOTAL NET ASSETS	5,970,922	8,729,679	14,700,601
TOTAL LIABILITIES AND NET ASSETS	\$ 6,470,831	\$ 8,729,679	\$ 15,200,510

The Accompanying Notes are an Integral Part of These Financial Statements

POINT FOUNDATION

STATEMENT OF ACTIVITIES Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS AND LOSSES, AND SUPPORT:			
Contributions	\$ 2,487,130	\$ 2,732,728	\$ 5,219,858
Bequests	400,514	-	400,514
Investment Return (Net)	(343,007)	(571,810)	(914,817)
Special Events (Net of Direct Special Event Expenses of \$320,619)	(1,980)	-	(1,980)
In-Kind Contributions	37,516	-	37,516
Other	3,095	-	3,095
Gain on Disposal of Property and Equipment	339	-	339
Loss on Write-Off of Uncollectable Pledges Receivable	(3,000)	(49,272)	(52,272)
Net Assets Released from: Purpose Restrictions	1,607,016	(1,607,016)	-
Time Restrictions	724,961	(724,961)	-
TOTAL REVENUE, GAINS AND LOSSES, AND SUPPORT	4,912,584	(220,331)	4,692,253
EXPENSES:			
Program Services:			
Scholarship and Scholar Support	2,301,467	-	2,301,467
Leadership Conferences and Training	1,214,602	-	1,214,602
Scholar Selections	435,524	-	435,524
TOTAL PROGRAM SERVICES	3,951,593	-	3,951,593
Supporting Services:			
Management and General	407,929	-	407,929
Fundraising and Development	534,753	-	534,753
TOTAL SUPPORTING SERVICES	942,682	-	942,682
TOTAL EXPENSES	4,894,275	-	4,894,275
CHANGE IN NET ASSETS	18,309	(220,331)	(202,022)
Net Assets - Beginning of Year	5,952,613	8,950,010	14,902,623
NET ASSETS - END OF YEAR	\$ 5,970,922	\$ 8,729,679	\$ 14,700,601

The Accompanying Notes are an Integral Part of These Financial Statements

POINT FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2022

	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	\$ 687,103	\$ 591,623	\$ 268,797	\$ 1,547,523	\$ 258,103	\$ 337,234	\$ 595,337	\$ 2,142,860
Direct Scholarship Expenses	1,105,641	167,805	-	1,273,446	-	-	-	1,273,446
Professional Fees and Consultants	154,519	132,628	15,655	302,802	5,921	91,737	97,658	400,460
Employee Benefits and Taxes	115,838	99,741	45,316	260,895	43,514	56,854	100,368	361,263
Public Awareness and Promotion	87,610	65,476	47,449	200,535	4,134	9,089	13,223	213,758
Office Expenses	56,713	36,927	16,682	110,322	13,781	20,175	33,956	144,278
Conferences and Events	20,106	57,610	5,646	83,362	3,214	10,158	13,372	96,734
Occupancy	41,395	26,298	12,475	80,168	10,003	5,797	15,800	95,968
Information Technology	28,511	16,951	22,330	67,792	6,199	2,187	8,386	76,178
Miscellaneous	-	-	-	-	40,605	-	40,605	40,605
In-Kind Expense	-	15,847	-	15,847	21,669	-	21,669	37,516
Travel	4,031	3,696	1,174	8,901	786	1,522	2,308	11,209
TOTAL FUNCTIONAL EXPENSES	\$ 2,301,467	\$ 1,214,602	\$ 435,524	\$ 3,951,593	\$ 407,929	\$ 534,753	\$ 942,682	\$ 4,894,275
	48%	25%	8%	81%	8%	11%	19%	100%

The Accompanying Notes are an Integral Part of These Financial Statements

POINT FOUNDATION

STATEMENT OF CASH FLOWS Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ (202,022)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:	
Unrealized Loss on Investments	1,255,762
Realized Loss on Sale of Investments	17,872
Gain on Disposal of Property and Equipment	(339)
Contributions Restricted for Investment in Perpetuity	(8,738)
Depreciation	19,740
Loss on Write-off of Uncollectable Pledges Receivable	52,272
(Increase) Decrease in:	
Pledges Receivable	1,526,169
Prepaid Expenses and Other Assets	76,076
Increase (Decrease) in:	
Accounts Payable and Accrued Expenses	125,038
Accrued Payroll Liabilities	(7,720)

NET CASH PROVIDED BY OPERATING ACTIVITIES

2,854,110

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Property and Equipment	(53,144)
Proceeds on Sale of Property and Equipment	800
Interest and Dividends Reinvested	(375,289)
Proceeds on Sale of Investments	9,479,294
Purchase of Investments	(11,687,467)

NET CASH USED IN INVESTING ACTIVITIES

(2,635,806)

CASH PROVIDED BY FINANCING ACTIVITIES:

Contributions Restricted for Investment in Perpetuity	8,738
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NET INCREASE IN CASH AND CASH EQUIVALENTS

227,042

Cash and Cash Equivalents - Beginning of Year

1,071,467

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 1,298,509

The Accompanying Notes are an Integral Part of These Financial Statements

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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, 2022

NOTE 1 - ORGANIZATION (continued)

Mission and Programs (continued)

As of June 30, 2022, 587 former Point Scholars - 388 Flagship scholars and 138 Community College scholars, and 61 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 403 scholarship recipients for the 2021-2022 academic year: 58 Flagship Scholars, 58 Community College Scholars, 186 BIPOC Scholars, and 101 Opportunity Grant recipients. Some Point alumni serve as mentors, members of Point's National Board of Directors or members of Point's Boards 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 Regional Boards of Trustees in various cities across the United States.

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 20 employees in achieving the goals of Point's various service programs. For the year ended June 30, 2022, Point had more than 300 volunteers who donated their time as directors, trustees, mentors, application readers, office assistants, and Point Honors and Cornerstone event planners. In total for the year, these volunteers contributed more than 8,700 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 2022 Performance

Point continued to manage operating expenses while doubling the number of scholars supported this year.

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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, 2022.

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, 2022

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, 2022

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, 2022.

(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, 2022

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 2022, the Board approved 70 Flagship scholarships and 91 Community College scholarships for fiscal year 2023 totaling \$835,200 and \$436,800, 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, 2022, 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, 2022

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 September 2020, FASB issued Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which improves transparency in the reporting of contributed nonfinancial assets (as known as gifts in-kind) received by not-for-profit organizations. Point implemented this ASU during the year ended June 30, 2022. There was no significant impact to Point's financial statements as a result of the implementation of this ASU. The presentation and disclosures of in-kind contributions have been enhanced in accordance with the standard.

(o) SUBSEQUENT EVENTS

Point has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2022 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through December 15, 2022 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, 2022

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, 2022 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Fair Value Measurements Using				Net Asset Value Per Share or its Equivalent (NAV)
	Year Ended June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Mutual Funds	\$ 4,968,908	\$ 4,968,908	\$ -	\$ -	\$ -
Corporate Bonds	966,642	-	966,642	-	-
Corporate Equities	250,812	250,812	-	-	-
Treasury Securities	4,731,581	4,731,581	-	-	-
Federal Agencies	76,642	76,642	-	-	-
Alternative Investment	200,981	-	-	-	200,981
Money Market	24,638	24,638	-	-	-
Certificates of Deposit	1,077,399	-	1,077,399	-	-
TOTAL INVESTMENTS	\$ 12,297,603	\$ 10,052,581	\$ 2,044,041	\$ -	\$ 200,981

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, 2022.

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 4 - PLEDGES RECEIVABLE

Pledges receivable (net) at June 30, 2022 are due to be received as follows:

Less than One Year	\$ 1,045,417
Two to Five Years	<u>521,617</u>
TOTAL	1,567,034
Less: Allowance for Doubtful Accounts	(75,794)
Less: Discount at 1.0% - 5.0%	<u>(20,597)</u>
PLEDGES RECEIVABLE (NET)	<u>\$ 1,470,643</u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2022:

Office Furniture and Equipment	\$ 2,239
Computer Equipment	<u>89,978</u>
TOTAL	92,217
Accumulated Depreciation	<u>(33,982)</u>
PROPERTY AND EQUIPMENT (NET)	<u>\$ 58,235</u>

Depreciation expense for the year ended June 30, 2022 was \$19,740.

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, 2022:

Undesignated	\$ 3,570,983
Board Designated Reserve	1,694,256
Board Designated Named Scholarship Fund	<u>705,683</u>
TOTAL	<u>\$ 5,970,922</u>

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 7 - NET ASSETS WITHOUT DONOR RESTRICTIONS (continued)

Board Designated Reserve: The Board has designated \$1,694,256 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, 2022.

Board Designated Named Scholarship Fund: The Board has designated \$705,683 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, 2022, \$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, 2022:

Endowment Funds	\$ 3,399,271
Endowment Income	1,160,910
Underwater Endowments	(66,313)
Named Scholars	3,909,634
Time Restricted	<u>326,177</u>
TOTAL	<u>\$ 8,729,679</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, 2022:

Satisfaction of Purpose Restrictions and Expiration of Time Restrictions:	
Named Scholars	\$ 1,607,016
Time Restrictions	<u>724,961</u>
TOTAL	<u>\$ 2,331,977</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, 2022

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. The Board has generally chosen to allow the endowment to grow before utilizing this policy, so during the year ended June 30, 2022, the Board elected not to make any general distributions from the endowment funds.

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, 2022, Point released funds of \$100,000 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, 2022 funds with original gift values of \$712,400 had fair values of \$646,087, and accordingly, deficiencies of \$66,313 are reported in net assets with donor restrictions.

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS June 30, 2022

NOTE 9 - ENDOWMENT FUNDS (continued)

Changes in endowment funds for the year ended June 30, 2022 are as follows:

	Donor Restricted Endowment Income	Donor Restricted Permanent Endowment	Total
Net Assets -			
Beginning of Year	\$ 1,766,407	\$ 3,390,533	\$ 5,156,940
Investment Return (Net)	(505,497)	-	(505,497)
Underwater Endowments Releases	-	(66,313)	(66,313)
	(100,000)	-	(100,000)
Contributions	-	8,738	8,738
NET ASSETS - END OF YEAR	\$ 1,160,910	\$ 3,332,958	\$ 4,493,868

NOTE 10 - IN-KIND CONTRIBUTIONS

During the year ended June 30, 2022, 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	\$ 21,669
Transportation	Standard industry price	14,971
Professional Fees and Consultants - Program	Standard hourly rate charged by the law firm	876
TOTAL GIK REVENUE		\$ 37,516

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, 2022 were \$26,314.

POINT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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, 2022:	
Cash and Cash Equivalents	\$ 1,298,509
Investments	12,297,603
Pledges Receivable (Net)	<u>1,470,643</u>
TOTAL FINANCIAL ASSETS AT JUNE 30, 2022	15,066,755
Less Amounts Not Available to Be Used within One Year, Due to:	
Board Designations (Net of Budgeted Release of \$25,000)	(2,374,939)
Donor Restricted Endowment (Net of Underwater Endowment)	(3,332,958)
Funds Held with Purpose Restrictions or Subject to Appropriation:	(1,912,553)
Pledges Restricted by Purpose and/or Time	<u>(974,617)</u>
FINANCIAL ASSETS AVAILABLE TO GENERAL EXPENDITURES WITHIN ONE YEAR	<u><u>\$ 6,471,688</u></u>

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, 2022, Point has \$1,694,256 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 \$2,399,939 for purposes of funding operations for the year ending June 30, 2023.

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.