



**PERSON-TO-PERSON**

Helping Others, One Person at a Time.

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2014 AND 2013**

**DYLEWSKY, GOLDBERG & BRENNER, LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**PERSON-TO-PERSON, INC.**

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**Dylewsky, Goldberg & Brenner, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Person-to-Person, Inc.

We have audited the accompanying financial statements of Person-to-Person, Inc., which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

# Dylewsky, Goldberg & Brenner, LLC

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Person-to-Person, Inc. as of December 31, 2014 and 2013, 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.

## Significant Related Parties

Person-to-Person, Inc. is a separate not-for-profit organization founded by Saint Luke's Parish of Darien, Connecticut. Saint Luke's Parish and Person-to-Person, Inc. are under common control and share economic resources as explained in Note 10 of the financial statements. Our opinion is not modified with respect to this matter.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Other Financial Information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Dylewsky, Goldberg & Brenner, LLC

Stamford, CT

March 11, 2015

**PERSON-TO-PERSON, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2014 AND 2013**

**ASSETS**

	<b>2014</b>	<b>2013</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 630,046	\$ 1,054,418
Loans receivable from clients	4,326	4,790
Grants receivable	-	22,332
Donations receivable	133,751	43,447
Inventory	158,913	157,317
Prepaid expenses and other receivables	36,325	19,480
Total Current Assets	963,361	1,301,784
<b>Property and Equipment, net</b>		
	757,164	787,904
Security deposit	7,271	7,271
Beneficial interest in net assets held by others	22,415	22,694
Investments - Operating Reserve Fund	1,194,003	1,064,543
Investments - Janet Evans Endowment Fund	2,887,042	2,843,838
	\$ 5,831,256	\$ 6,028,034

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 79,288	\$ 101,955
Agency liabilities	24,270	41,224
Due to Saint Luke's Parish	8,621	90,866
Total Current Liabilities	112,179	234,045
<b>Net Assets</b>		
Unrestricted:		
Section 8 Security Deposit Loan Fund	31,043	31,040
Undesignated	2,252,239	2,521,713
Total Unrestricted	2,283,282	2,552,753
Temporarily Restricted:		
Janet Evans Endowment Fund	3,010,219	2,917,811
Food programs	138,691	101,798
Baby basics	18,435	30,198
Emergency assistance	170,466	-
Capital campaign	52,311	78,746
Technology, strategic planning, and training	13,978	78,049
Other programs	31,695	34,634
Total Temporarily Restricted	3,435,795	3,241,236
Total Net Assets	5,719,077	5,793,989
	\$ 5,831,256	\$ 6,028,034

See accompanying notes to financial statements.

**PERSON-TO-PERSON, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2014**

	<b>UNRESTRICTED</b>	<b>TEMPORARILY RESTRICTED</b>	<b>TOTAL</b>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Contributions - cash	\$ 1,306,945	\$ 1,113,544	\$ 2,420,489
Contributions - goods	8,587,615	-	8,587,615
In-kind contributions - other	56,533	-	56,533
Government grants	14,549	-	14,549
Investment return	96,720	181,188	277,908
Special events income	341,802	207,870	549,672
Special events expense	(189,685)	-	(189,685)
OPUS dues	13,913	-	13,913
Other revenue	7,429	-	7,429
Net assets released from restrictions:			
Satisfaction of program and purpose restrictions	1,308,043	(1,308,043)	-
 Total Public Support and Revenue	 11,543,864	 194,559	 11,738,423
 <b>FUNCTIONAL EXPENSES</b>			
<b>Program Services</b>			
Emergency assistance	10,214,251	-	10,214,251
Scholarships	407,068	-	407,068
Camperships	362,595	-	362,595
Total Program Services	10,983,914	-	10,983,914
 <b>Supporting Services</b>			
Management and general	322,759	-	322,759
Fund development	506,662	-	506,662
Total Supporting Services	829,421	-	829,421
 Total Functional Expenses	 11,813,335	 -	 11,813,335
 <b>CHANGE IN NET ASSETS</b>	 (269,471)	 194,559	 (74,912)
 Net assets - beginning of year	 2,552,753	 3,241,236	 5,793,989
 Net assets - end of year	 \$ 2,283,282	 \$ 3,435,795	 \$ 5,719,077

See accompanying notes to financial statements.

**PERSON-TO-PERSON, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2013**

	<b>UNRESTRICTED</b>	<b>TEMPORARILY RESTRICTED</b>	<b>TOTAL</b>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Contributions - cash	\$ 1,626,006	\$ 660,014	\$ 2,286,020
Contributions - goods	7,851,240	-	7,851,240
In-kind contributions - other	32,384	-	32,384
Government grants	17,900	12,418	30,318
Investment return	79,424	451,711	531,135
Special events income	272,368	86,530	358,898
Special events expense	(163,149)	-	(163,149)
OPUS dues	13,250	-	13,250
Other revenue	3,997	-	3,997
Loss on disposal of asset	(3,770)	-	(3,770)
Net assets released from restrictions:			
Satisfaction of program restrictions	842,405	(842,405)	-
Total Public Support and Revenue	10,572,055	368,268	10,940,323
 <b>FUNCTIONAL EXPENSES</b>			
<b>Program Services</b>			
Emergency assistance	9,491,734	-	9,491,734
Scholarships	484,178	-	484,178
Camperships	353,751	-	353,751
Total Program Services	10,329,663	-	10,329,663
 <b>Supporting Services</b>			
Management and general	239,577	-	239,577
Fund development	338,639	-	338,639
Total Supporting Services	578,216	-	578,216
Total Functional Expenses	10,907,879	-	10,907,879
 <b><u>CHANGE IN NET ASSETS</u></b>			
	(335,824)	368,268	32,444
Net assets - beginning of year	2,888,577	2,872,968	5,761,545
Net assets - end of year	\$ 2,552,753	\$ 3,241,236	\$ 5,793,989

See accompanying notes to financial statements.

**PERSON-TO-PERSON, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2014**

	<b>PROGRAM SERVICES</b>				<b>SUPPORTING SERVICES</b>			<b>TOTAL FUNCTIONAL EXPENSES</b>
	<b>EMERGENCY ASSISTANCE</b>	<b>SCHOLAR- SHIPS</b>	<b>CAMPER- SHIPS</b>	<b>TOTAL</b>	<b>MANAGEMENT AND GENERAL</b>	<b>FUND DEVELOPMENT</b>	<b>TOTAL</b>	
Salaries	\$ 589,672	\$ 70,942	\$ 60,637	\$ 721,251	\$ 189,478	\$ 319,801	\$ 509,279	\$ 1,230,530
Payroll taxes	47,228	5,682	4,856	57,766	15,175	25,613	40,788	98,554
Benefits	68,859	8,284	7,081	84,224	22,126	37,345	59,471	143,695
Payroll and Related Expenditures	705,759	84,908	72,574	863,241	226,779	382,759	609,538	1,472,779
Clothing and food distributed	8,586,019	-	-	8,586,019	-	-	-	8,586,019
Grants and assistance	378,246	310,899	277,774	966,919	-	-	-	966,919
Food and supplies	108,939	-	-	108,939	-	-	-	108,939
Program supplies	32,008	-	-	32,008	-	-	-	32,008
Donated services	56,533	-	-	56,533	-	-	-	56,533
Occupancy	109,756	1,282	1,538	112,576	5,674	5,832	11,506	124,082
Printing and publications	6,306	183	134	6,623	404	47,676	48,080	54,703
Office expenses	17,910	1,546	1,276	20,732	6,648	29,861	36,509	57,241
Postage	2,431	160	162	2,753	490	10,262	10,752	13,505
Equipment maintenance and support	37,653	1,730	1,464	40,847	3,628	6,073	9,701	50,548
Computer supplies and software	2,386	1,619	119	4,124	358	1,225	1,583	5,707
Telephone	13,271	870	886	15,027	2,672	4,900	7,572	22,599
Transportation	9,225	-	-	9,225	-	-	-	9,225
Volunteers and training	11,630	390	142	12,162	429	982	1,411	13,573
Audit	-	-	-	-	14,500	-	14,500	14,500
Advertising and promotion	722	-	-	722	-	3,725	3,725	4,447
Consulting	14,715	-	3,175	17,890	754	1,640	2,394	20,284
Project consulting	27,000	1,500	1,500	30,000	10,032	2,340	12,372	42,372
Investment fees	-	-	-	-	44,449	-	44,449	44,449
Other	5,876	521	195	6,592	195	2,174	2,369	8,961
Total Expenses before Depreciation and Amortization	10,126,385	405,608	360,939	10,892,932	317,012	499,449	816,461	11,709,393
Depreciation and Amortization	87,866	1,460	1,656	90,982	5,747	7,213	12,960	103,942
<b>Total Functional Expenses</b>	<b>\$ 10,214,251</b>	<b>\$ 407,068</b>	<b>\$ 362,595</b>	<b>\$ 10,983,914</b>	<b>\$ 322,759</b>	<b>\$ 506,662</b>	<b>\$ 829,421</b>	<b>\$ 11,813,335</b>

See accompanying notes to financial statements.

**PERSON-TO-PERSON, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2013**

	<u>PROGRAM SERVICES</u>				<u>SUPPORTING SERVICES</u>			<b>TOTAL FUNCTIONAL EXPENSES</b>
	<u>EMERGENCY ASSISTANCE</u>	<u>SCHOLAR- SHIPS</u>	<u>CAMPER- SHIPS</u>	<u>TOTAL</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND DEVELOPMENT</u>	<u>TOTAL</u>	
Salaries	\$ 533,406	\$ 73,557	\$ 32,753	\$ 639,716	\$ 111,791	\$ 217,578	\$ 329,369	\$ 969,085
Payroll taxes	39,138	5,397	2,403	46,938	8,203	15,965	24,168	71,106
Benefits	56,065	7,732	3,443	67,240	11,750	22,870	34,620	101,860
Payroll and Related Expenditures	628,609	86,686	38,599	753,894	131,744	256,413	388,157	1,142,051
Clothing and food distributed	7,956,851	-	-	7,956,851	-	-	-	7,956,851
Grants and assistance	412,936	384,690	307,945	1,105,571	-	-	-	1,105,571
Food and supplies	84,438	-	-	84,438	-	-	-	84,438
Program supplies	34,209	-	-	34,209	-	-	-	34,209
Donated services	32,384	-	-	32,384	-	-	-	32,384
Occupancy	95,986	1,121	1,345	98,452	4,963	5,101	10,064	108,516
Printing and publications	32,632	2,614	1,233	36,479	4,089	9,031	13,120	49,599
Office expenses	23,224	1,861	877	25,962	2,911	20,446	23,357	49,319
Postage	7,822	627	296	8,745	980	2,165	3,145	11,890
Equipment maintenance and support	29,494	1,138	689	31,321	2,378	4,161	6,539	37,860
Computer supplies and software	6,245	500	236	6,981	783	1,729	2,512	9,493
Telephone	15,724	184	220	16,128	813	836	1,649	17,777
Transportation	8,304	-	-	8,304	-	-	-	8,304
Volunteers and training	12,610	489	231	13,330	765	1,689	2,454	15,784
Audit	-	-	-	-	15,298	-	15,298	15,298
Financial services	6,061	-	-	6,061	5,388	2,021	7,409	13,470
Consulting	19,167	623	623	20,413	7,090	25,998	33,088	53,501
Project consulting	-	1,900	-	1,900	12,858	2,069	14,927	16,827
Investment fees	-	-	-	-	44,298	-	44,298	44,298
Other	2,725	246	116	3,087	385	851	1,236	4,323
Total Expenses before Depreciation and Amortization	9,409,421	482,679	352,410	10,244,510	234,743	332,510	567,253	10,811,763
Depreciation and Amortization	82,313	1,499	1,341	85,153	4,834	6,129	10,963	96,116
Total Functional Expenses	<u>\$ 9,491,734</u>	<u>\$ 484,178</u>	<u>\$ 353,751</u>	<u>\$ 10,329,663</u>	<u>\$ 239,577</u>	<u>\$ 338,639</u>	<u>\$ 578,216</u>	<u>\$ 10,907,879</u>

See accompanying notes to financial statements.

**PERSON-TO-PERSON, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<b>2014</b>	<b>2013</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (74,912)	\$ 32,444
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Realized and unrealized gains on investments, net	(186,206)	(433,846)
Depreciation and amortization	103,942	96,116
Change in beneficial interest	279	(2,649)
Loss on disposal of equipment	-	3,770
Changes in Operating Assets and Liabilities:		
Receivables from clients	464	17,114
Grants, donations, and pledges receivable	(67,972)	31,439
Prepaid expenses and other receivables	(16,845)	15,309
Inventory	(1,596)	105,611
Accounts payable and accrued expenses	(39,621)	37,563
Due to Saint Luke's Parish	(82,245)	19,417
Total Adjustments	(289,800)	(110,156)
Net Cash Used by Operating Activities	(364,712)	(77,712)
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
Proceeds from sale of investments	1,617,373	1,908,074
Purchase of investments	(1,607,431)	(1,538,496)
Purchase of property and equipment	(69,602)	(200,544)
Net Cash Provided (Used) by Investment Activities	(59,660)	169,034
<b><u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u></b>	(424,372)	91,322
Cash and cash equivalents - beginning of year	1,054,418	963,096
Cash and cash equivalents - end of year	\$ 630,046	\$ 1,054,418
<b>Supplemental disclosure of cash flow information:</b>		
Disposals of property plant and equipment	\$ -	\$ 22,098

See accompanying notes to financial statements.

**PERSON-TO-PERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE 1 OPERATIONS**

Person-to-Person, Inc. (“Person-to-Person” or the “Organization”), a not-for-profit human services organization, was established in 1968 by Saint Luke’s Parish of Darien, Connecticut. Person-to-Person was incorporated as a separate organization on December 2, 1994. Person-to-Person is a volunteer-driven, community-supported agency which, through the sharing of goods and talents, responds to individuals and families who lack the basic necessities or resources to improve their lives. The Organization provides rapid response assistance to client emergencies, as well as access to interconnected services that support its clients' journeys toward self-sufficiency. Person-to-Person offers assistance through three key programs: emergency assistance, camperships, and scholarships. The emergency assistance program provides food, clothing, financial assistance, including eviction mediation, and crisis counseling to residents of Lower Fairfield County, Connecticut. More than 485 children attended summer day camps in 2014 through the campership program. The scholarship program provides financial assistance for local students from low-income households.

The Organization receives most of its support from the general public through cash and in-kind contributions. OPUS, a fundraising arm of Person-to-Person, was established to raise funds and public awareness for Person-to-Person. OPUS has dues-paying members who engage primarily in special event fundraising. OPUS is not a separate legal entity, but rather is part of Person-to-Person.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Accounting Basis**

Person-to-Person’s financial statements are presented in accordance with Financial Accounting Standards Board (“FASB”) guidance for not-for-profit organizations. Under that guidance, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Further, contributions are recognized as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

**Revenue Recognition**

*Contributions:* Person-to-Person reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Change in Net Assets as net assets released from restrictions. Donations that are permanently restricted by the donor, from which the Organization may utilize only the income, are recorded as permanently restricted net assets. The Organization had no permanently restricted net assets at December 31, 2014 and 2013.

**PERSON-TO-PERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

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

**Revenue Recognition** (continued)

*Promises to Give:* Unconditional promises to give are recognized as revenue in the period received and recorded as assets. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

*Non-cash Contributions:* The Organization receives a substantial amount of volunteer services in carrying out its programs and activities. Volunteers perform various administrative and fundraising functions. However, only certain amounts have been reflected in the financial statements for those services meeting the criteria for recognition. Contributed services are not recognized unless the donated services create or enhance non-financial assets or require specialized skills that would typically be purchased if not donated. In-kind contributions are measured at the fair value of the assets transferred to Person-to-Person or the liabilities cancelled or settled. The programs run by the Organization require the dedication and resources of over 3,000 volunteers who provided over 84,000 hours of service assisting clients, stocking the food pantry, sorting clothing, packing bags and boxes for clients, and other tasks.

**Accounts Receivable and Loans Receivable from Clients**

Management reviews the balances of grants and donations receivable on a regular basis and expects all amounts to be fully collectible; therefore, there is no allowance for doubtful accounts. Client loans receivable are reviewed on a quarterly basis and approximately 75% are converted to emergency assistance grants on an annual basis, consistent with the nature of the Organization's ongoing programs.

**Investments**

Person-to-Person follows FASB guidance on fair value, which, among other things, defines fair value, establishes a hierarchal framework for measuring fair value, and expands disclosure about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy is organized into three levels based upon the assumptions (referred to as "inputs") used in pricing the asset or liability, as follows:

*Level 1:* Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

*Level 2:* Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, with fair value being determined through the use of models or other valuation methodologies.

**PERSON-TO-PERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

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

**Investments (continued)**

*Level 3:* Inputs are unobservable for the asset or liability and are used to the extent that observable inputs do not exist. Level 3 inputs require significant management judgment and estimation. Factors considered include the purchase cost, prices of recent private placements of the same issuer, liquidity of the investment, changes in financial condition of the issuer, and valuations of similar companies.

The Organization values all of its investments using Level 1 inputs. For common stocks, corporate bonds, and U.S. government securities, the inputs are valued at the closing price reported on the active market on which the individual securities are traded. For mutual funds, the inputs are valued at the net asset value of shares held at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The Organization reports investment income and gains and losses as increases or decreases in unrestricted net assets in the Statements of Activities and Change in Net Assets unless a donor or law temporarily or permanently restricts their use.

**Property and Equipment**

Property and equipment are carried at cost, if purchased, or at fair values on dates donated, if contributed. Person-to-Person reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support. Purchases over \$500 are capitalized. Repairs and maintenance of existing assets are expensed as incurred.

Depreciation is determined by use of the straight-line method over the following useful lives:

Leasehold improvements	5 - 20 years
Equipment and furnishings	3 - 15 years
Vehicles	5 - 6 years

**PERSON-TO-PERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

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

**Uncertainty in Income Taxes**

The Organization evaluates all significant tax positions as required by accounting principles generally accepted in the United States of America. As of December 31, 2014, the Organization does not believe that it has taken any positions that would require recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year. The Organization is no longer subject to audits by the applicable taxing authorities for the period prior to 2011.

**Advertising**

Person-to-Person expenses the cost of advertising when the advertising takes place.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Organization regularly assesses these estimates and, while actual results may differ from these estimates, management believes that material changes will not occur in the near term.

**Cash Equivalents**

For financial statement purposes, the Organization considers all highly liquid investments with an initial maturity of less than three months when purchased to be cash equivalents.

**Inventory**

Inventory consists of clothing, food, household items, and supplies. Items are valued based on unit values published by The Salvation Army, Feeding America, and Second Harvest, and other available data.

**Functional Expenses**

The costs of providing various programs and other activities have been summarized in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Reclassifications**

Certain reclassifications were made to the presentation of the 2013 financial statements to conform to the 2014 financial statement presentation and to properly present restrictions on net assets.

**PERSON-TO-PERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE 3 INVESTMENTS**

The following table sets forth, within Level One of the fair value hierarchy, the Organization's assets at fair value at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Common stocks	\$ 2,504,140	\$ 2,448,847
Corporate bonds	1,079,422	1,060,790
Convertible bonds	-	21,663
Municipal bonds	346,631	221,549
U.S. government and agency securities	133,423	138,551
Accrued interest and dividends	<u>17,429</u>	<u>16,981</u>
 Total Assets at Fair Value	 \$ <u>4,081,045</u>	 \$ <u>3,908,381</u>

Investment return, including interest earned on cash accounts, is summarized as follows:

	<u>2014</u>	<u>2013</u>
Interest and dividend income	\$ 91,702	\$ 97,289
Realized gains	231,598	266,267
Unrealized gains (losses)	<u>(45,392)</u>	<u>167,579</u>
 Total Investment Return	 \$ <u>277,908</u>	 \$ <u>531,135</u>

Investments are managed in accordance with board-approved policies. The policies, which also permit a portion of the Janet Evans Endowment Fund to be spent annually, are designed to diversify the assets in the portfolio and manage them in a prudent manner, to preserve the value of the portfolio in real terms (after inflation), and to generate a reliable flow of earnings annually for support. Investment fees were \$44,449 and \$44,298 for the years ended December 31, 2014 and 2013, respectively.

**PERSON-TO-PERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE 4      PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2014 and 2013 consisted of the following:

	<u>2014</u>	<u>2013</u>
Equipment	\$ 334,199	\$ 297,392
Furniture and fixtures	111,382	110,680
Leasehold improvements	700,720	666,827
Vehicles	<u>23,497</u>	<u>23,497</u>
	1,169,798	1,098,396
Less: accumulated depreciation	<u>(412,634)</u>	<u>(310,492)</u>
 Total Property and Equipment, net	 <u>\$ 757,164</u>	 <u>\$ 787,904</u>

**NOTE 5      RESTRICTIONS AND DESIGNATIONS OF NET ASSETS**

Temporarily restricted net assets at December 31, 2014 and 2013 were available for the following purposes:

	<u>2014</u>	<u>2013</u>
Janet Evans Endowment Fund	\$ 3,010,219	\$ 2,917,811
Food programs	138,690	101,798
Baby Basics	18,435	30,198
Emergency assistance	170,466	-
Capital campaign	52,311	78,746
Technology, strategic planning, and training	13,978	78,049
Other Programs:		
Thumbelina Fund	6,810	2,475
Fuel bank	12,414	9,877
Van money	5,413	5,413
NEON	7,059	9,152
FEMA program	<u>-</u>	<u>7,717</u>
 Total Temporarily Restricted Net Assets	 <u>\$ 3,435,795</u>	 <u>\$ 3,241,236</u>

**PERSON-TO-PERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE 5 RESTRICTIONS AND DESIGNATIONS OF NET ASSETS (continued)**

Net assets released from restrictions during each year were:

	<u>2014</u>	<u>2013</u>
Janet Evans Endowment Fund	\$ 142,704	\$ 139,773
Food programs	100,512	80,584
Baby Basics	11,762	15,539
Emergency assistance	359,876	-
Capital campaign	26,493	-
Camperships	248,056	262,262
Scholarships	305,479	267,328
Technology, strategic planning, and training	79,071	12,054
Other Programs:		
Thumbelina Fund	5,665	9,045
Fuel bank	2,463	5,777
Christmas toy store	11,636	11,436
NEON	2,092	3,349
Storm relief	-	30,557
FEMA program	<u>12,234</u>	<u>4,701</u>
 Total Net Assets Released from Restrictions	 \$ <u>1,308,043</u>	 \$ <u>842,405</u>

In November 2002, Person-to-Person entered into a contract with the Stamford Housing Authority to establish the Section 8 Security Deposit Loan Fund (the "Loan Fund"). The mission of the Loan Fund is to increase utilization of housing choice vouchers in Stamford, Connecticut. Person-to-Person acts as administrator for the Loan Fund and has designated certain net assets for use in this program.

**PERSON-TO-PERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE 6**            **JANET EVANS ENDOWMENT FUND**

In 2003, Person-to-Person established the Janet Evans Endowment Fund (the “Fund”) to honor the retirement of former Executive Director Janet Evans. Contributions to the Fund are invested as directed by an endowment committee appointed by the board of directors. Withdrawals from the Fund in a given year, which may be used at the discretion of the board of directors, are limited to 6% of the average year end market value for the three preceding calendar years. Changes in endowment net assets during the years ended December 31, 2014 and 2013 are as follows:

Net assets, January 1, 2013	\$ 2,595,105
Investment return	451,479
Contributions	11,000
Investment fees	(29,773)
Appropriation of endowment assets for expenditure	<u>(110,000)</u>
 Net assets, December 31, 2013	 <u>2,917,811</u>
 Investment return	 175,111
Contributions	60,000
Investment fees	(32,703)
Appropriation of endowment assets for expenditure	<u>(110,000)</u>
 Net assets, December 31, 2014	 \$ <u>3,010,219</u>

The Organization’s endowment includes only temporarily-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization’s board of directors requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The donor-restricted endowment fund is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the State of Connecticut’s Uniform Prudent Management of Institutional Funds Act.

The Organization considers the mission of the Organization and the donor-restricted fund, and the nature of the restrictions and financial needs of the Organization in making a determination to accept donor-restricted funds into the endowment fund.

**PERSON-TO-PERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE 7**            **IN-KIND CONTRIBUTIONS**

During 2014 and 2013, Person-to-Person recognized donated clothing, food, and supplies of \$8,587,615 and \$7,851,240, respectively, for use in Person-to-Person's programs. The values of clothing, furniture, household items, and other goods are estimated by management based on unit values published by The Salvation Army and other available data. From time to time, management reviews Person-to-Person's valuation methodology for food items. Such a review was conducted in 2013 based upon data published by Feeding America and Second Harvest. The average value of a pound of groceries received has been increased to \$2.00, while the weight of the typical bag of groceries received has been reduced to 10 lbs. Food contributions for 2014 have been reported based upon these benchmarks.

For the years ended December 31, 2014 and 2013, donated professional services recognized in the financial statements totaled \$56,533 and \$32,384, respectively.

The Organization received the services of approximately 2,500 individual volunteers. Volunteer services are not recognized in the Statements of Activities and Change in Net Assets because such services do not involve specialized skills; however, they represent greater than 84,000 and 75,000 hours of service for the years ended December 31, 2014 and 2013, respectively. Volunteers staff and run the Organization's numerous programs, projects, and events, as well as provide transportation services. The value of donated volunteer services not recognized in the financial statements is approximately \$2,233,000 and \$2,032,000 for the years ended December 31, 2014 and 2013, respectively (based on the Independent Sector valuation of Connecticut volunteer time at an hourly rate of \$26.43).

**NOTE 8**            **RETIREMENT PLAN**

During 2013, eligible employees were covered under the Episcopal Church Lay Employees' Retirement Plan (the "Original Plan"), a defined benefit plan, through Saint Luke's Parish. On January 1, 2014, the Organization withdrew from participation in the Original Plan; per the Church Pension Group, any eligible employee participating in the Original Plan at the date of termination became fully vested in the Original Plan, to the extent of their accrued benefit based on years of service. On February 1, 2014, the Organization adopted a new 403(b) Plan ("403(b) Plan"). Employees who are over 21 years of age and work 1,000 or more hours per year are eligible to participate in the 403(b) Plan on the first day of the month coincident with or following the date that the employees satisfy the eligibility requirements. For those employees who make a contribution of 2% or more to the 403(b) Plan, the Organization will make a 5% contribution to the 403(b) Plan on their behalf. Employees who make a contribution of less than 2% are not entitled to a contribution on their behalf from the Organization. Participating employees' years of full-time service prior to the adoption of the 403(b) Plan are counted toward the employees' vesting schedule. Retirement plan expense was \$42,502 and \$64,595 for the years ended December 31, 2014 and 2013, respectively.

**PERSON-TO-PERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE 9 RELATED PARTY TRANSACTIONS**

Person-to-Person and Saint Luke's Parish share common control and certain economic resources. In April 2010, Person-to-Person entered into an agreement to pay an occupancy expense of \$4,000 per month to Saint Luke's Parish. The agreement is on a month-to-month basis.

Person-to-Person had payables of \$8,621 and \$90,866 to Saint Luke's Parish for certain expenses at December 31, 2014 and 2013, respectively. During 2013, Saint Luke's Parish processed payroll expenses on behalf of the Organization that were included in payables. Saint Luke's Parish donated \$46,172 and \$43,377 to the Organization as part of the Parish's annual outreach program for the years ended December 31, 2014 and 2013, respectively.

**NOTE 10 BENEFICIAL INTEREST IN NET ASSETS HELD BY OTHERS**

The Fairfield County Community Foundation (the "Foundation") receives and maintains assets on behalf of the Organization. In accordance with the Foundation's investment policy, income will be available to the Organization annually for operating purposes. The Foundation retains the power to modify restrictions or conditions on the distribution and investment of beneficial interest funds. The Foundation also maintains variance power over all assets of the fund.

**NOTE 11 COMMITMENTS**

When the Organization merged with Christian Community Action ("CCA") in November 2012, it acquired the lease on CCA's facility at 76 South Main Street in Norwalk, Connecticut. The lease is a five year operating lease, commencing August 1, 2011 and expiring July 31, 2016, with escalations each year. The lease agreement contains an option to renew for one five-year period subject to certain terms and conditions. Rent expense under the lease for the years ending December 31, 2014 and 2013 was \$44,867 and \$43,988, respectively.

The annual payment requirements under the lease agreement for the years subsequent to December 31, 2014 are:

2015	\$ 45,765
2016	27,005

**PERSON-TO-PERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE 12      CONCENTRATIONS**

The Organization maintains its cash and cash equivalent balances at several financial institutions. Concentrations of credit risk result primarily from cash on deposit at these financial institutions in excess of Federal Deposit Insurance Corporation (“FDIC”) limits. At times during the year, cash and cash equivalent balances may be in excess of FDIC coverage. At December 31, 2014, the Organization’s uninsured cash and cash equivalents balance totaled \$14,926.

**NOTE 13      INCOME TAXES**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Contributions made to the Organization are qualified for the maximum tax deductions allowable under the United States Internal Revenue Code.

**NOTE 14      SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through March 11, 2015, the date that the financial statements were available to be issued.

**NOTE 15      GRAPHIC INFORMATION**

The following graphs are pictorial presentations of the total columns shown on the Statements of Activities and Change in Net Assets and the Statements of Functional Expenses.

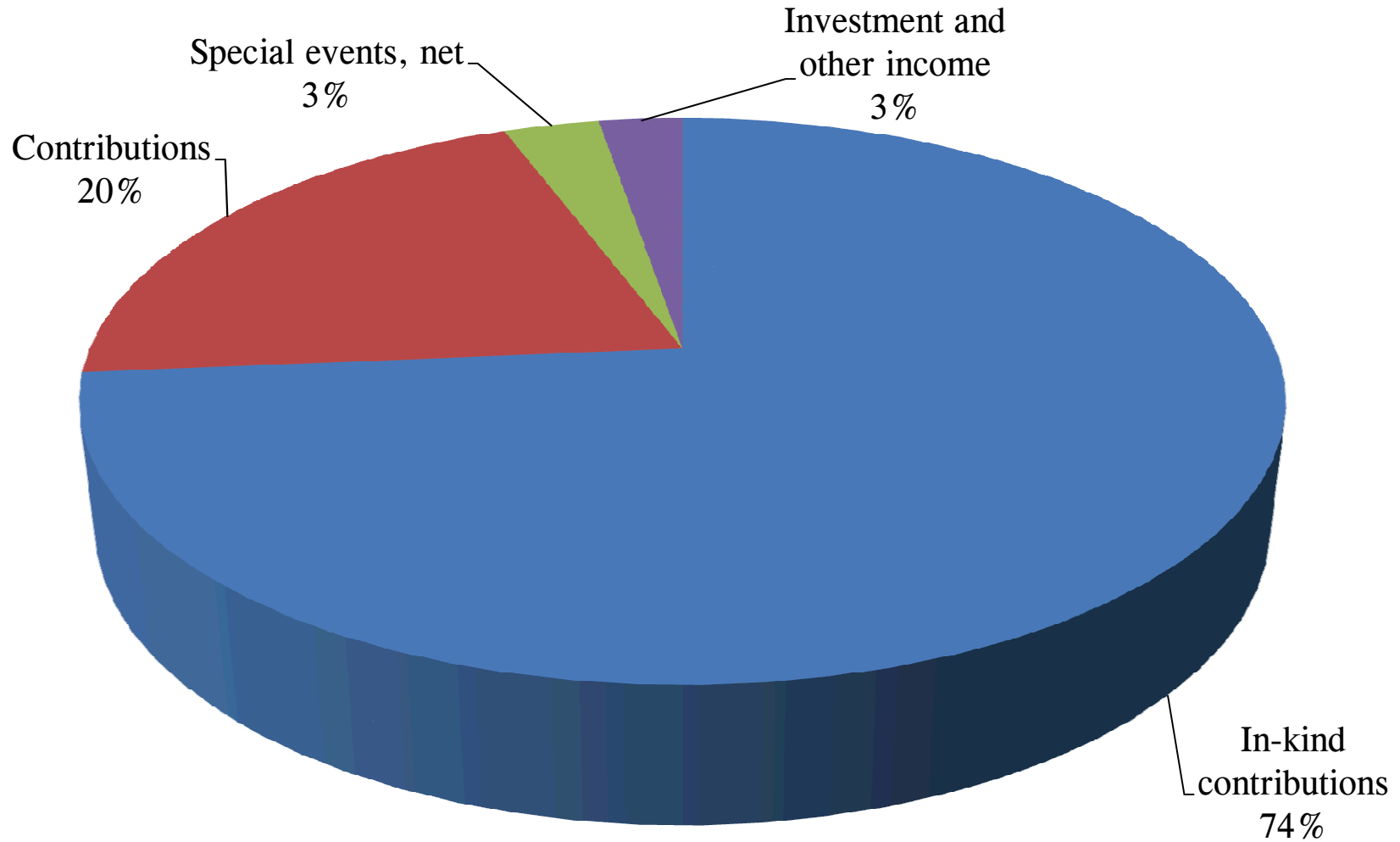
**OTHER FINANCIAL INFORMATION**

**PERSON-TO-PERSON, INC.**  
**SCHEDULE OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2014**

	<u>CORE OPERATIONS</u>	<u>CAPITAL CAMPAIGN</u>	<u>JANET EVANS ENDOWMENT</u>	<u>TOTAL</u>
<b>PUBLIC SUPPORT AND REVENUE</b>				
Contributions - In-kind goods & services	\$ 8,644,148	\$ -	\$ -	\$ 8,644,148
Contributions - Cash & foundation grants	<u>2,370,489</u>	<u>-</u>	<u>50,000</u>	<u>2,420,489</u>
Total Contributions	11,014,637	-	50,000	11,064,637
Unfulfilled pledges	-	-	-	-
Government grants	14,549	-	-	14,549
Investment income	38,851	58	54,896	93,805
Special events, net	349,987	-	10,000	359,987
Other	<u>21,342</u>	<u>-</u>	<u>-</u>	<u>21,342</u>
Total Revenue	<u>11,439,366</u>	<u>58</u>	<u>114,896</u>	<u>11,554,320</u>
<b>FUNCTIONAL EXPENSES</b>				
Emergency assistance	10,214,251	-	-	10,214,251
Scholarships	407,068	-	-	407,068
Camperships	362,595	-	-	362,595
Management and general	290,056	-	32,703	322,759
Fund development	<u>506,662</u>	<u>-</u>	<u>-</u>	<u>506,662</u>
Total Expenses	<u>11,780,632</u>	<u>-</u>	<u>32,703</u>	<u>11,813,335</u>
<b>Operating Income</b>	<b>(341,266)</b>	<b>58</b>	<b>82,193</b>	<b>(259,015)</b>
Realized and unrealized gains	63,888	-	120,215	184,103
Fund transfers	<u>136,493</u>	<u>(26,493)</u>	<u>(110,000)</u>	<u>-</u>
<b><u>CHANGE IN NET ASSETS</u></b>	<b>(140,885)</b>	<b>(26,435)</b>	<b>92,408</b>	<b>(74,912)</b>
Net assets - beginning of year	<u>2,797,432</u>	<u>78,746</u>	<u>2,917,811</u>	<u>5,793,989</u>
Net assets - end of year	<u>\$ 2,656,547</u>	<u>\$ 52,311</u>	<u>\$ 3,010,219</u>	<u>\$ 5,719,077</u>

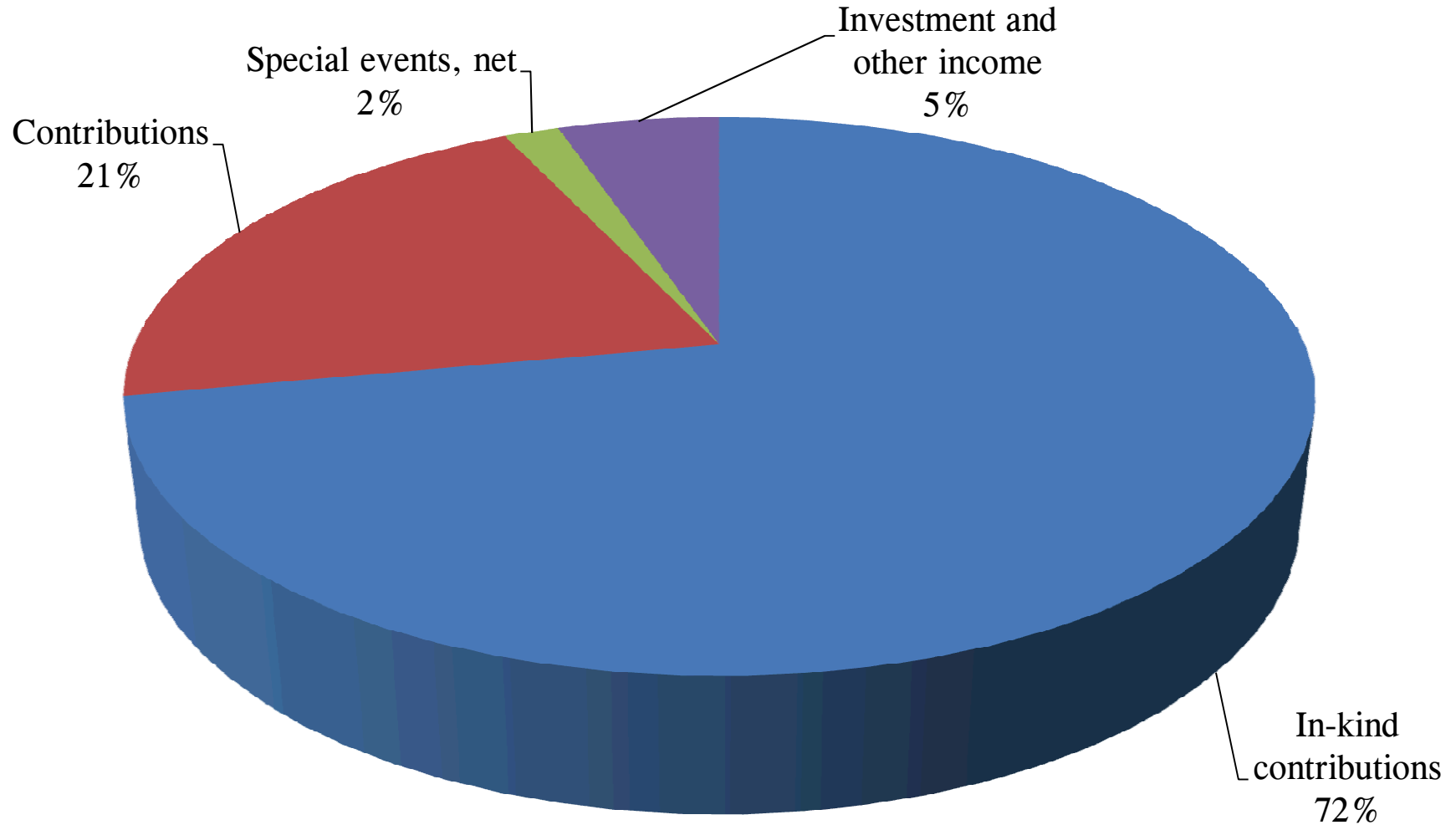
# Person-to-Person, Inc.

Income Distribution  
Year Ended December 31, 2014



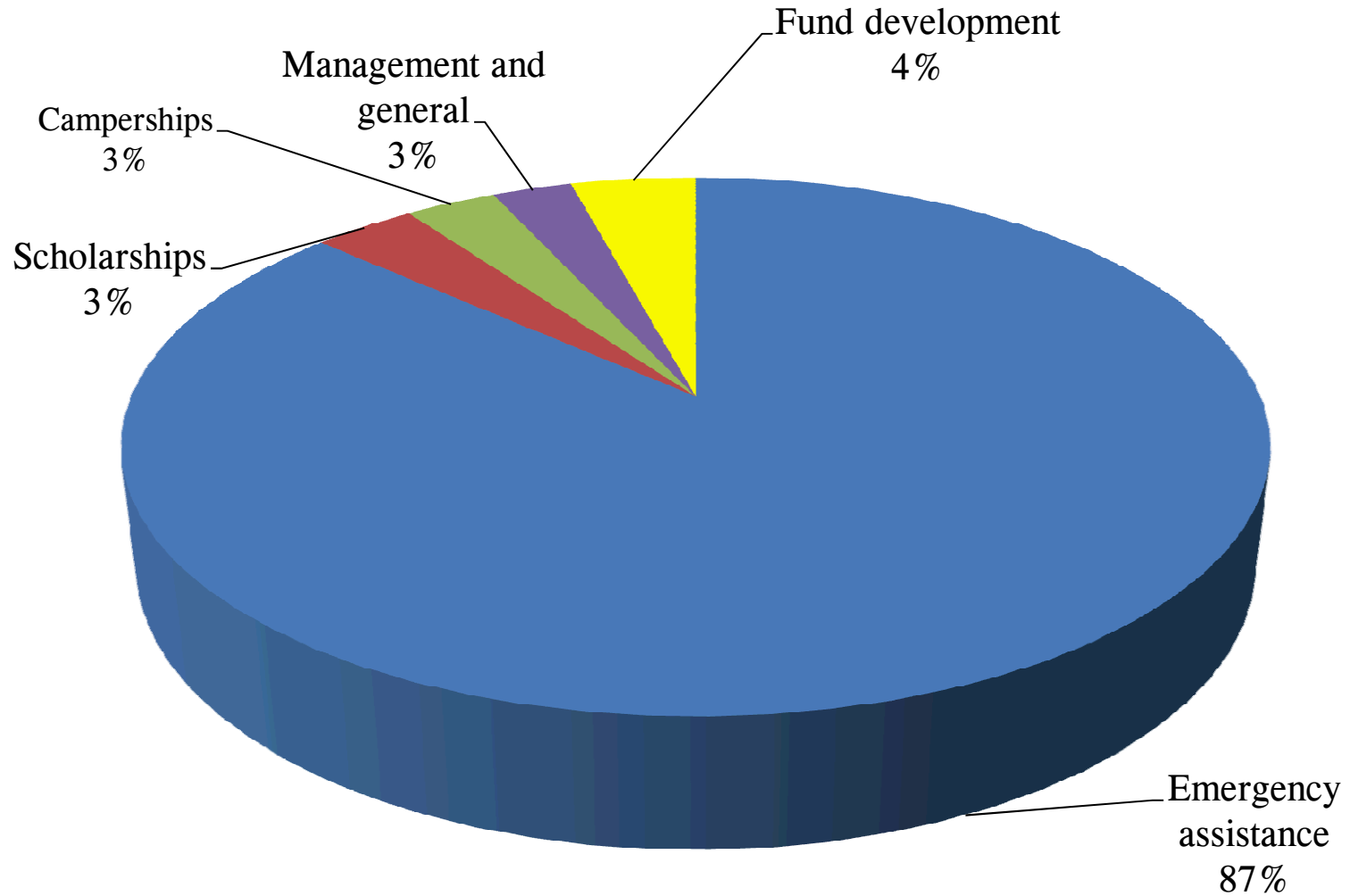
# Person-to-Person, Inc.

Income Distribution  
Year Ended December 31, 2013



# Person-to-Person, Inc.

Functional Expense Distribution  
Year Ended December 31, 2014



# Person-to-Person, Inc.

Functional Expense Distribution  
Year Ended December 31, 2013

