



PERSON-TO-PERSON

Helping Others, One Person at a Time.

FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

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, 2016 and 2015, 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, 2016 and 2015, 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, Connecticut

March 31, 2017

PERSON-TO-PERSON, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

ASSETS

	2016	2015
Current Assets		
Cash and cash equivalents	\$ 1,757,859	\$ 917,641
Loans receivable from clients	9,006	4,456
Grants receivable	16,184	10,000
Donations receivable	53,709	91,805
Inventory	147,114	171,225
Prepaid expenses and other receivables	40,826	36,862
Total Current Assets	2,024,698	1,231,989
 Property and Equipment, net	 670,688	 676,058
 Security deposit	 7,271	 7,271
Investments - Operating Reserve Fund	-	865,180
Investments - Janet Evans Endowment Fund	2,734,692	2,722,443
	\$ 5,437,349	\$ 5,502,941

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued expenses	\$ 80,770	\$ 60,578
Agency liabilities	23,904	24,944
Due to Saint Luke's Parish	-	2,294
Total Current Liabilities	104,674	87,816
 Net Assets		
Unrestricted	1,696,705	2,126,354
Temporarily restricted	3,635,970	3,288,771
Total Net Assets	5,332,675	5,415,125
	\$ 5,437,349	\$ 5,502,941

See accompanying notes to financial statements.

PERSON-TO-PERSON, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED DECEMBER 31, 2016

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
PUBLIC SUPPORT AND REVENUE			
Contributions - cash	\$ 1,138,853	\$ 1,110,970	\$ 2,249,823
Contributions - goods	10,106,314	-	10,106,314
In-kind contributions - other	82,239	-	82,239
Government grants	243,760	-	243,760
Investment return	80,614	216,921	297,535
Special events income	410,751	182,058	592,809
Special events expense	(181,012)	-	(181,012)
OPUS dues	13,863	-	13,863
Other revenue	(15,809)	30,664	14,855
Net assets released from restrictions:			
Satisfaction of program and purpose restrictions	1,193,414	(1,193,414)	-
 Total Public Support and Revenue	 13,072,987	 347,199	 13,420,186
 FUNCTIONAL EXPENSES			
Program Services			
Emergency assistance	11,972,373	-	11,972,373
Scholarships	396,240	-	396,240
Camperships	376,996	-	376,996
Total Program Services	12,745,609	-	12,745,609
 Supporting Services			
Management and general	251,597	-	251,597
Fund development	505,430	-	505,430
Total Supporting Services	757,027	-	757,027
 Total Functional Expenses	 13,502,636	 -	 13,502,636
 CHANGE IN NET ASSETS	 (429,649)	 347,199	 (82,450)
Net assets - beginning of year	2,126,354	3,288,771	5,415,125
 Net assets - end of year	 \$ 1,696,705	 \$ 3,635,970	 \$ 5,332,675

See accompanying notes to financial statements.

PERSON-TO-PERSON, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED DECEMBER 31, 2015

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
PUBLIC SUPPORT AND REVENUE			
Contributions - cash	\$ 1,581,201	\$ 809,544	\$ 2,390,745
Contributions - goods	9,259,044	-	9,259,044
In-kind contributions - other	29,640	-	29,640
Government grants	94,410	-	94,410
Investment return	(14,338)	(2,505)	(16,843)
Special events income	289,687	167,044	456,731
Special events expense	(164,016)	-	(164,016)
OPUS dues	11,368	-	11,368
Other revenue	7,633	5,530	13,163
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>1,126,637</u>	<u>(1,126,637)</u>	<u>-</u>
 Total Public Support and Revenue	 <u>12,221,266</u>	 <u>(147,024)</u>	 <u>12,074,242</u>
 FUNCTIONAL EXPENSES			
Program Services			
Emergency assistance	10,874,233	-	10,874,233
Scholarships	386,408	-	386,408
Camperships	<u>339,374</u>	<u>-</u>	<u>339,374</u>
Total Program Services	<u>11,600,015</u>	<u>-</u>	<u>11,600,015</u>
 Supporting Services			
Management and general	272,555	-	272,555
Fund development	<u>505,624</u>	<u>-</u>	<u>505,624</u>
Total Supporting Services	<u>778,179</u>	<u>-</u>	<u>778,179</u>
 Total Functional Expenses	 <u>12,378,194</u>	 <u>-</u>	 <u>12,378,194</u>
 <u>CHANGE IN NET ASSETS</u>	 <u>(156,928)</u>	 <u>(147,024)</u>	 <u>(303,952)</u>
 Net assets - beginning of year	 <u>2,283,282</u>	 <u>3,435,795</u>	 <u>5,719,077</u>
 Net assets - end of year	 <u>\$ 2,126,354</u>	 <u>\$ 3,288,771</u>	 <u>\$ 5,415,125</u>

See accompanying notes to financial statements.

PERSON-TO-PERSON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2016

	PROGRAM SERVICES				SUPPORTING SERVICES			TOTAL FUNCTIONAL EXPENSES
	EMERGENCY	SCHOLAR-	CAMPER-	TOTAL	MANAGEMENT	FUND	TOTAL	
	ASSISTANCE	SHIPS	SHIPS		AND GENERAL	DEVELOPMENT		
Salaries	\$ 676,703	\$ 59,896	\$ 58,622	\$ 795,221	\$ 147,829	\$ 331,342	\$ 479,171	\$ 1,274,392
Payroll taxes	51,304	4,541	4,444	60,289	11,208	25,120	36,328	96,617
Benefits	91,981	8,141	7,968	108,090	20,094	45,037	65,131	173,221
Payroll and Related Expenditures	819,988	72,578	71,034	963,600	179,131	401,499	580,630	1,544,230
Clothing and food distributed	10,130,425	-	-	10,130,425	-	-	-	10,130,425
Grants and assistance	449,141	309,479	283,655	1,042,275	-	-	-	1,042,275
Food and supplies	100,918	-	-	100,918	-	-	-	100,918
Program supplies	25,150	-	-	25,150	-	-	-	25,150
Donated services	82,239	-	-	82,239	-	-	-	82,239
Occupancy	115,454	1,345	1,614	118,413	5,954	6,118	12,072	130,485
Office expenses	26,021	1,263	2,164	29,448	6,222	25,693	31,915	61,363
Postage	3,209	91	943	4,243	214	2,970	3,184	7,427
Equipment maintenance and support	61,108	3,183	2,840	67,131	5,378	10,539	15,917	83,048
Computer supplies and software	1,306	359	71	1,736	160	374	534	2,270
Telephone	14,333	713	847	15,893	1,917	4,480	6,397	22,290
Transportation	8,303	-	-	8,303	-	-	-	8,303
Volunteers and training	11,596	335	101	12,032	230	775	1,005	13,037
Audit	-	-	-	-	16,275	-	16,275	16,275
Communications	8,020	120	11,698	19,838	323	26,044	26,367	46,205
Consulting	10,575	4,425	150	15,150	-	-	-	15,150
Project consulting	9,174	-	-	9,174	625	17,881	18,506	27,680
Investment fees	-	-	-	-	29,270	-	29,270	29,270
Other	7,394	1,009	277	8,680	686	2,242	2,928	11,608
Total Expenses before Depreciation and Amortization	11,884,354	394,900	375,394	12,654,648	246,385	498,615	745,000	13,399,648
Depreciation and Amortization	88,019	1,340	1,602	90,961	5,212	6,815	12,027	102,988
Total Functional Expenses	<u>\$ 11,972,373</u>	<u>\$ 396,240</u>	<u>\$ 376,996</u>	<u>\$ 12,745,609</u>	<u>\$ 251,597</u>	<u>\$ 505,430</u>	<u>\$ 757,027</u>	<u>\$ 13,502,636</u>

See accompanying notes to financial statements.

PERSON-TO-PERSON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

	<u>PROGRAM SERVICES</u>				<u>SUPPORTING SERVICES</u>			TOTAL FUNCTIONAL EXPENSES
	<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	\$ 602,614	\$ 63,714	\$ 52,219	\$ 718,547	\$ 141,789	\$ 317,319	\$ 459,108	\$ 1,177,655
Payroll taxes	57,845	6,116	5,012	68,973	13,610	30,460	44,070	113,043
Benefits	75,538	7,987	6,546	90,071	17,774	39,777	57,551	147,622
Payroll and Related Expenditures	735,997	77,817	63,777	877,591	173,173	387,556	560,729	1,438,320
Clothing and food distributed	9,246,732	-	-	9,246,732	-	-	-	9,246,732
Grants and assistance	397,011	299,143	247,055	943,209	-	-	-	943,209
Food and supplies	101,562	-	-	101,562	-	-	-	101,562
Program supplies	35,835	-	-	35,835	-	-	-	35,835
Donated services	29,640	-	-	29,640	-	-	-	29,640
Occupancy	114,474	1,337	1,604	117,415	5,920	6,083	12,003	129,418
Office expenses	20,404	1,302	1,353	23,059	5,609	25,328	30,937	53,996
Postage	1,918	114	2,559	4,591	249	5,735	5,984	10,575
Equipment maintenance and support	43,837	2,352	1,691	47,880	3,269	6,242	9,511	57,391
Computer supplies and software	2,083	399	84	2,566	219	539	758	3,324
Telephone	14,970	962	814	16,746	2,109	5,189	7,298	24,044
Transportation	8,217	-	-	8,217	-	-	-	8,217
Volunteers and training	8,724	178	151	9,053	391	1,167	1,558	10,611
Audit	-	-	-	-	16,004	-	16,004	16,004
Communications	6,745	144	12,347	19,236	315	55,382	55,697	74,933
Consulting	17,700	-	6,125	23,825	750	-	750	24,575
Project consulting	-	-	-	-	15,091	550	15,641	15,641
Investment fees	-	-	-	-	43,632	-	43,632	43,632
Other	5,800	1,177	260	7,237	675	4,576	5,251	12,488
Total Expenses before Depreciation and Amortization	10,791,649	384,925	337,820	11,514,394	267,406	498,347	765,753	12,280,147
Depreciation and Amortization	82,584	1,483	1,554	85,621	5,149	7,277	12,426	98,047
Total Functional Expenses	<u>\$ 10,874,233</u>	<u>\$ 386,408</u>	<u>\$ 339,374</u>	<u>\$ 11,600,015</u>	<u>\$ 272,555</u>	<u>\$ 505,624</u>	<u>\$ 778,179</u>	<u>\$ 12,378,194</u>

See accompanying notes to financial statements.

PERSON-TO-PERSON, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (82,450)	\$ (303,952)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Realized and unrealized losses (gains) on investments, net	(201,225)	112,295
Depreciation and amortization	102,988	98,047
Change in beneficial interest	-	22,415
Changes in Operating Assets and Liabilities:		
Loan receivables from clients	(4,550)	(130)
Grants, donations, and pledges receivable	31,912	31,946
Prepaid expenses and other receivables	(3,964)	(537)
Inventory	24,111	(12,312)
Accounts payable and accrued expenses	19,152	(18,036)
Due to Saint Luke's Parish	(2,294)	(6,327)
Total Adjustments	(33,870)	227,361
Net Cash Used by Operating Activities	(116,320)	(76,591)
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Proceeds from sale of investments	2,427,982	1,988,513
Purchase of investments	(1,373,826)	(1,609,934)
Purchase of property and equipment	(97,618)	(14,393)
Net Cash Provided by Investment Activities	956,538	364,186
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	840,218	287,595
Cash and cash equivalents - beginning of year	917,641	630,046
Cash and cash equivalents - end of year	\$ 1,757,859	\$ 917,641

See accompanying notes to financial statements.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

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 520 children attended summer day camps in 2016 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 a 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, 2016 and 2015.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

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.

Government Grants: The Organization has certain grants that are based on expenditure-driven grant revenue (i.e., the Organizations must first incur the expenditure as a basis for reimbursement) that is recognized when the related expenditure is incurred.

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 Organization received contributed services from specialized professionals for its emergency assistance programs and administrative functions of \$82,239 and \$29,640 during the years ended December 31, 2016 and 2015, respectively. The programs run by the Organization require the dedication and resources of over 3,000 volunteers who provided approximately 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.

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.

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:

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

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

Investments (continued)

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.

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, 2016 AND 2015

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, 2016, 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.

Advertising

Person-to-Person expenses the cost of advertising when the advertising takes place. Amounts spent were immaterial for both 2016 and 2015.

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.

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 2015 financial statements to conform to the 2016 financial statement presentation of functional expenses.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

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, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Common stocks	\$ 1,911,537	\$ 2,141,061
Corporate bonds	755,934	1,029,571
Municipal bonds	51,899	280,354
U.S. government and agency securities	-	120,104
Asset-backed securities	3,111	-
Accrued interest and dividends	<u>12,211</u>	<u>16,533</u>
 Total Assets at Fair Value	 <u>\$ 2,734,692</u>	 <u>\$ 3,587,623</u>

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

	<u>2016</u>	<u>2015</u>
Interest and dividend income	\$ 96,310	\$ 95,452
Realized gains (losses)	249,007	173,112
Unrealized gains (losses)	<u>(47,782)</u>	<u>(285,407)</u>
 Total Investment Return	 <u>\$ 297,535</u>	 <u>\$ (16,843)</u>

Investments are managed in accordance with board-approved policies. The policies, which also permit a portion of the Janet Evans Endowment Fund (see Note 6) 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 \$29,270 and \$43,632 for the years ended December 31, 2016 and 2015, respectively, and are included in the Statement of Functional Expenses.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Equipment and software	\$ 350,278	\$ 329,995
Furniture and fixtures	112,670	112,670
Leasehold improvements	709,970	708,090
Vehicles	<u>95,772</u>	<u>20,317</u>
	1,268,690	1,171,072
Less: accumulated depreciation and amortization	<u>(598,002)</u>	<u>(495,014)</u>
 Total Property and Equipment, net	 \$ <u>670,688</u>	 \$ <u>676,058</u>

NOTE 5 RESTRICTIONS AND DESIGNATIONS OF NET ASSETS

Temporarily restricted net assets at December 31, 2016 and 2015 were available for the following purposes:

	<u>2016</u>	<u>2015</u>
Janet Evans Endowment Fund	\$ 2,985,686	\$ 2,893,162
Food programs	125,090	86,597
Baby Basics	5,156	5,773
Emergency assistance	255,237	201,908
Capital campaign	52,311	52,311
Campership	83,032	-
Scholarship	33,602	20,000
Technology, strategic planning, and training	62,519	7,523
Other Programs:		
Thumbelina Fund	4,260	6,084
FEMA	2,710	-
Fuel bank	14,257	12,757
Van Money	<u>12,110</u>	<u>2,656</u>
 Total Temporarily Restricted Net Assets	 \$ <u>3,635,970</u>	 \$ <u>3,288,771</u>

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 5 RESTRICTIONS AND DESIGNATIONS OF NET ASSETS (continued)

Net assets released from restrictions during each year were:

	<u>2016</u>	<u>2015</u>
Janet Evans Endowment Fund	\$ 134,397	\$ 142,596
Food programs	89,120	96,455
Baby Basics	10,617	12,662
Emergency assistance	429,517	375,365
Capital campaign	-	-
Camperships	288,555	225,288
Scholarships	193,385	227,812
Technology, strategic planning, and training	13,004	6,455
Other Programs:		
Thumbelina Fund	1,824	2,011
Fuel bank	500	1,942
Christmas toy store	306	10,608
Van money	-	2,757
FEMA program	<u>32,189</u>	<u>22,686</u>
 Total Net Assets Released from Restrictions	 \$ <u>1,193,414</u>	 \$ <u>1,126,637</u>

Person-to-Person has a continuing 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, 2016 AND 2015

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, 2016 and 2015 are as follows:

Net assets, January 1, 2015	\$ 3,010,219
Investment income	59,555
Net asset depreciation	(62,060)
Contributions	28,044
Investment fees	(32,596)
Appropriation of endowment assets for expenditure	<u>(110,000)</u>
 Net assets, December 31, 2015	 <u>2,893,162</u>
 Investment income	 73,517
Net asset appreciation	143,404
Contributions	10,000
Investment fees	(24,397)
Appropriation of endowment assets for expenditure	<u>(110,000)</u>
 Net assets, December 31, 2016	 \$ <u>2,985,686</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, 2016 AND 2015

NOTE 7 **IN-KIND CONTRIBUTIONS**

During 2016 and 2015, Person-to-Person recognized donated clothing, food, and supplies of \$10,106,314 and \$9,259,044, 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 is \$2.00, while the weight of the typical bag of groceries received is 10 pounds. Food contributions for 2016 and 2015 have been reported based upon these benchmarks.

For the years ended December 31, 2016 and 2015, donated professional services recognized in the financial statements totaled \$82,239 and \$29,640, respectively.

The Organization received the services of approximately 4,000 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 77,000 and 83,000 hours of service for the years ended December 31, 2016 and 2015, 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 \$2,163,800 and \$2,248,600 for the years ended December 31, 2016 and 2015, respectively (based on the Independent Sector valuation of Connecticut volunteer time at an hourly rate of \$27.77 and \$26.79 for the years ended December 31, 2016 and 2015, respectively).

NOTE 8 **RETIREMENT PLAN**

The Organization has a 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 \$36,973 and \$29,498 for the years ended December 31, 2016 and 2015, respectively.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

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 no payables due to Saint Luke’s Parish at December 31, 2016 and a balance of \$2,294 at December 31, 2015 for certain expenses paid for by the Parish. Saint Luke’s Parish donated \$57,500 and \$55,500 to the Organization as part of the Parish’s annual outreach program for the years ended December 31, 2016 and 2015, respectively.

NOTE 10 BENEFICIAL INTEREST IN NET ASSETS HELD BY OTHERS

In 2015, the Organization obtained the original donor’s authorization to transfer assets maintained at The Fairfield County Community Foundation (the “Foundation”), along with other assets invested directly by the Organization, to the Organization’s Janet Evans Endowment Fund in the amount of \$21,391. In prior years, the Foundation received and maintained assets on behalf of the Organization. In accordance with the Foundation’s investment policy, income was available to the Organization annually for operating purposes.

NOTE 11 COMMITMENTS

The Organization has a lease on a 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. A new lease agreement was executed for one five-year period commencing in August 2016. Rent expense under the lease for the years ending December 31, 2016 and 2015 was \$46,776 and \$45,765, respectively.

The annual payment requirements under the lease agreement for the years subsequent to December 31, 2016 are:

2017	\$ 47,946
2018	49,144
2019	50,373
2020	51,632
2021	30,554

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

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, 2016, the Organization’s uninsured cash and cash equivalents balance totaled \$354,910.

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 31, 2017, 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.

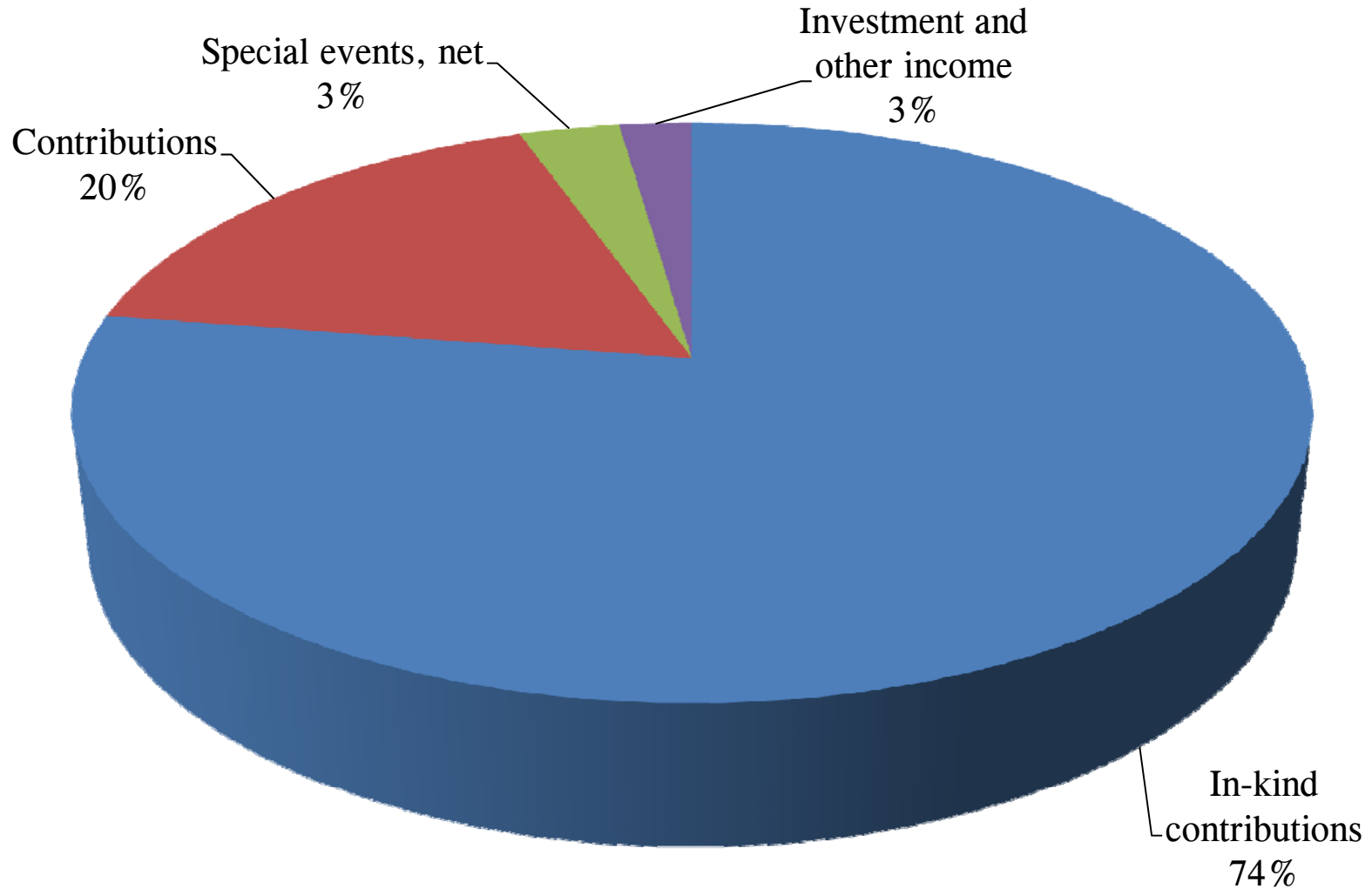
OTHER FINANCIAL INFORMATION

PERSON-TO-PERSON, INC.
SCHEDULE OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

	<u>CORE OPERATIONS</u>	<u>CAPITAL CAMPAIGN</u>	<u>JANET EVANS ENDOWMENT</u>	<u>TOTAL</u>
PUBLIC SUPPORT AND REVENUE				
Contributions - In-kind goods & services	\$ 10,188,553	\$ -	\$ -	\$ 10,188,553
Contributions - Cash & foundation grants	<u>2,239,823</u>	<u>-</u>	<u>10,000</u>	<u>2,249,823</u>
Total Contributions	12,428,376	-	10,000	12,438,376
Government grants	243,760	-	-	243,760
Investment income	22,793	-	73,517	96,310
Special events, net	411,797	-	-	411,797
Other	<u>28,718</u>	<u>-</u>	<u>-</u>	<u>28,718</u>
Total Public Support and Revenue	<u>13,135,444</u>	<u>-</u>	<u>83,517</u>	<u>13,218,961</u>
FUNCTIONAL EXPENSES				
Emergency assistance	11,972,373	-	-	11,972,373
Scholarships	396,240	-	-	396,240
Camperships	376,996	-	-	376,996
Management and general	227,200	-	24,397	251,597
Fund development	<u>505,430</u>	<u>-</u>	<u>-</u>	<u>505,430</u>
Total Functional Expenses	<u>13,478,239</u>	<u>-</u>	<u>24,397</u>	<u>13,502,636</u>
Operating Income	(342,795)	-	59,120	(283,675)
Realized and unrealized gains	57,821	-	143,404	201,225
Fund transfers	<u>110,000</u>	<u>-</u>	<u>(110,000)</u>	<u>-</u>
<u>CHANGE IN NET ASSETS</u>	(174,974)	-	92,524	(82,450)
Net assets - beginning of year	<u>2,469,652</u>	<u>52,311</u>	<u>2,893,162</u>	<u>5,415,125</u>
Net assets - end of year	<u>\$ 2,294,678</u>	<u>\$ 52,311</u>	<u>\$ 2,985,686</u>	<u>\$ 5,332,675</u>

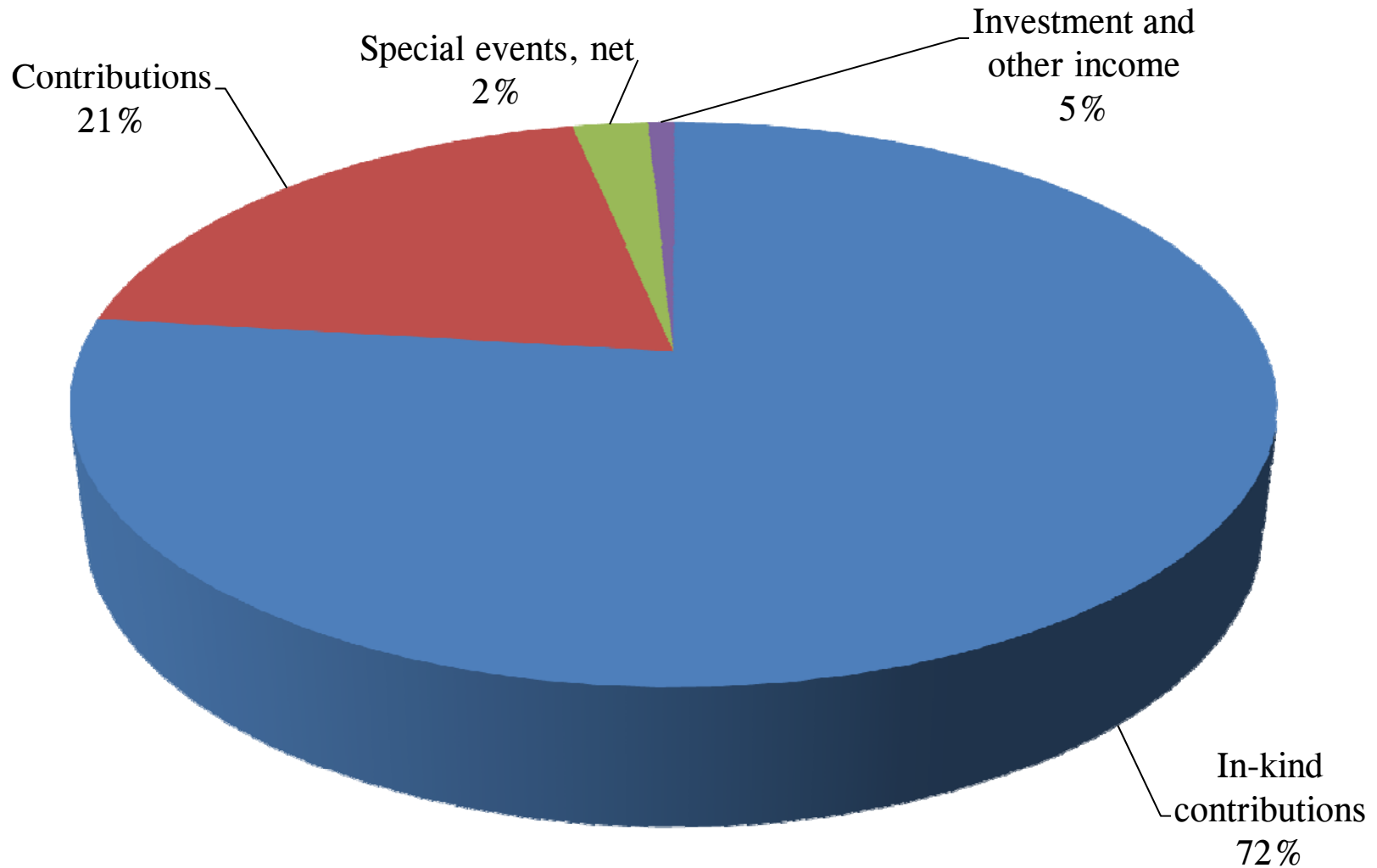
Person-to-Person, Inc.

Income Distribution
Year Ended December 31, 2016



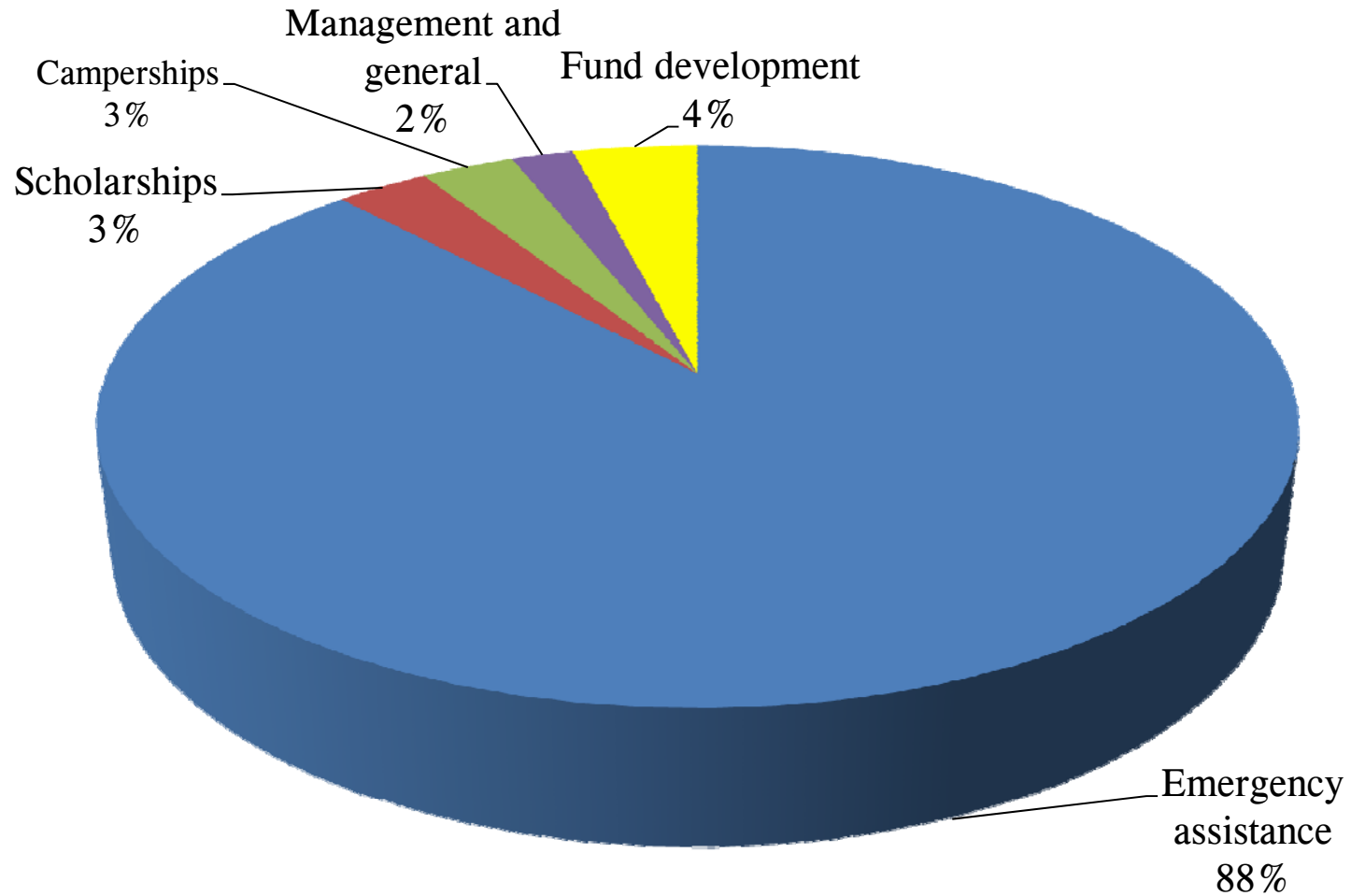
Person-to-Person, Inc.

Income Distribution
Year Ended December 31, 2015



Person-to-Person, Inc.

Functional Expense Distribution
Year Ended December 31, 2016



Person-to-Person, Inc.

Functional Expense Distribution
Year Ended December 31, 2015

