

person**to**person

**Person-to-Person, Inc.**  
**Financial Statements and Supplementary Information**  
**(Together with Independent Auditors' Report**  
**For the Years Ended June 30, 2022 and 2021**





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## INDEPENDENT AUDITORS' REPORT

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

### *Opinion*

We have audited the financial statements of Person-to-Person, Inc. (a not for profit organization), (the "Organization"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and change in net assets, 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 Person-to-Person, Inc. 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Person-to-Person, Inc. 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.

### *Report on 2021 Financial Statements*

The financial statements of Person-to-Person, Inc. as of and for the year ended June 30, 2021, were audited by another auditor whose report dated January 13, 2022, expressed an unmodified opinion on those statements.

### *Responsibilities of Management for the Financial Statements*

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

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



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**PERSON-TO-PERSON, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

**ASSETS**

	<b>2022</b>	<b>2021</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 3,452,529	\$ 1,546,326
Contributions receivable	38,000	68,175
Inventory	140,510	95,168
Prepaid expenses and other receivables	115,480	125,146
<b>Total Current Assets</b>	<b>3,746,519</b>	<b>1,834,815</b>
Property and equipment, net	671,109	782,670
Security deposit	10,587	10,587
Investments - Operating Reserve	-	2,201,319
Investments - Janet Evans Endowment Fund	2,966,724	3,678,924
 <b>TOTAL ASSETS</b>	 <b>\$ 7,394,939</b>	 <b>\$ 8,508,315</b>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 100,190	\$ 188,802
Deferred revenue	19,441	-
Agency liabilities	20,676	28,656
<b>Total Current Liabilities</b>	<b>140,307</b>	<b>217,458</b>
 <b>Net Assets</b>		
Without donor restrictions:		
Available for operations	3,123,022	3,036,341
Board-designated - COVID relief fund	-	160,011
Net investment in property and equipment	671,109	782,670
<b>Total without donor restrictions</b>	<b>3,794,131</b>	<b>3,979,022</b>
With donor restrictions	3,460,501	4,311,835
 <b>Total Net Assets</b>	 <b>7,254,632</b>	 <b>8,290,857</b>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b>\$ 7,394,939</b>	 <b>\$ 8,508,315</b>

See accompanying notes to financial statements.

**PERSON-TO-PERSON, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
<b>PUBLIC SUPPORT</b>			
Contributions - cash	\$ 2,268,741	\$ 2,409,012	\$ 4,677,753
Contributed non-financial assets - goods	9,145,244	-	9,145,244
Contributed non-financial assets - service	82,808	-	82,808
Government grants	396,312	-	396,312
Investment return (loss)	7,712	831,699	839,411
Total Public Support	<u>11,900,817</u>	<u>3,240,711</u>	<u>15,141,528</u>
Special events income	199,124	-	199,124
Less: Costs of direct benefit to donors	<u>(62,331)</u>	<u>-</u>	<u>(62,331)</u>
Net revenues from special events	<u>136,793</u>	<u>-</u>	<u>136,793</u>
<b>REVENUE</b>			
OPUS dues	13,745	-	13,745
Other revenue	2,672	-	2,672
Gain on extinguishment of debt (PPP loan)	365,200	-	365,200
Loss on disposal of asset	(6,952)	-	(6,952)
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>3,242,576</u>	<u>(3,242,576)</u>	<u>-</u>
Total Revenue	<u>3,617,241</u>	<u>(3,242,576)</u>	<u>374,665</u>
 Total Public Support and Revenue	 <u>15,654,851</u>	 <u>(1,865)</u>	 <u>15,652,986</u>
<b>EXPENSES</b>			
<b>Program Services</b>			
Critical needs	12,479,211	-	12,479,211
Scholarships	359,202	-	359,202
Camperships	<u>163,442</u>	<u>-</u>	<u>163,442</u>
Total Program Services	<u>13,001,855</u>	<u>-</u>	<u>13,001,855</u>
<b>Supporting Services</b>			
Management and general	320,774	-	320,774
Fund development	<u>686,354</u>	<u>-</u>	<u>686,354</u>
Total Supporting Services	<u>1,007,128</u>	<u>-</u>	<u>1,007,128</u>
 Total Expenses	 <u>14,008,983</u>	 <u>-</u>	 <u>14,008,983</u>
 <b>CHANGE IN NET ASSETS</b>	 1,645,868	 (1,865)	 1,644,003
Net assets - beginning of year	<u>2,333,154</u>	<u>4,313,700</u>	<u>6,646,854</u>
 Net assets - end of year	 <u>\$ 3,979,022</u>	 <u>\$ 4,311,835</u>	 <u>\$ 8,290,857</u>

See accompanying notes to financial statements.

**PERSON-TO-PERSON, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	PROGRAM SERVICES			SUPPORTING SERVICES			TOTAL FUNCTIONAL EXPENSES
	CRITICAL NEEDS	SCHOLAR-SHIPS	CAMPER-SHIPS	MANAGEMENT AND GENERAL	FUND DEVELOPMENT	TOTAL	
Salaries	\$ 1,091,948	\$ 26,856	\$ 20,034	\$ 205,898	\$ 411,261	\$ 617,159	\$ 1,755,997
Payroll taxes	78,311	1,940	1,447	14,955	28,948	43,943	125,641
Benefits	155,528	2,868	2,124	19,259	45,744	65,003	225,523
Payroll and Related Expenditures	1,325,787	31,664	23,605	240,152	485,953	726,105	2,107,161
Clothing and food distributed	9,118,844	-	-	-	-	-	9,118,844
Grants and assistance	1,097,269	323,121	135,553	-	-	-	1,555,943
Food and supplies	243,576	-	-	-	14,373	14,373	257,949
Program supplies	28,751	-	-	-	13,298	13,298	42,049
Donated services	82,808	-	-	-	-	-	82,808
Occupancy	212,921	590	590	2,951	53,575	56,526	270,627
Office expenses	23,404	578	291	2,446	63,707	66,153	90,426
Insurance	-	-	-	36,700	-	36,700	36,700
Postage	2,682	27	27	214	9,080	9,294	12,030
Equipment maintenance and support	96,150	710	710	5,090	21,957	27,047	124,617
Computer supplies and software	1,414	350	350	155	329	484	2,598
Telephone	27,186	162	162	808	1,941	2,750	30,260
Vehicle expense	32,098	-	-	-	-	-	32,098
Volunteers and training	11,516	61	61	484	1,296	1,780	13,418
Audit	-	-	-	22,000	-	22,000	22,000
Communications	2,331	24	143	192	37,158	37,350	39,848
Consulting	18,975	175	175	3,550	25,118	28,668	47,993
Project consulting	10,239	140	140	1,122	2,364	3,506	14,025
Other	2,730	21	56	172	9,042	9,214	12,021
Depreciation and amortization	140,530	1,579	1,579	4,737	9,474	14,211	157,899
Total Expenses	12,479,211	359,202	163,442	320,774	748,685	1,069,459	14,071,314
Less: direct benefits to donors recorded on statement of activities and changes in net assets	-	-	-	-	(62,331)	(62,331)	(62,331)
Total Functional Expenses	\$ 12,479,211	\$ 359,202	\$ 163,442	\$ 320,774	\$ 686,354	\$ 1,007,128	\$ 14,008,983

See accompanying notes to financial statements.

**PERSON-TO-PERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

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 Episcopal Church in Darien, Connecticut ("St. Luke's"). Person-to-Person was incorporated under the Connecticut Nonstock Corporation Act as a separate organization in 1994. St. Luke's is the sole member of the Organization.

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 achieve economic stability in 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: critical needs, camperships and scholarships. The critical needs program provides food, clothing, financial assistance, including eviction mediation, and crisis counseling to residents of Lower Fairfield County, Connecticut. More than 307 children attended summer day camps in 2022 through the campership program. The scholarship program provides financial assistance for local students from low-income households.

In 2018, Person-to-Person launched the P2P on Wheels program. The purpose of the program is to take food and financial assistance into low-income neighborhoods. In late 2017, Person-to-Person purchased and took possession of a 32' truck for P2P On Wheels, and in early 2018 launched its new program.

In April 2020, P2P implemented a new home delivery system, Door2Door to provide accessible grocery options for low-income people affected by the pandemic. The program was created in response to the large increase in demand for food assistance and to ensure that at-risk clients received the essentials they needed to survive the pandemic and has grown to become an essential aspect of the food program. Groceries are pre-packed by volunteers and delivered to the door of a person or family in need of food.

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 on behalf of Person-to-Person. 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 have been prepared on the accrual basis of accounting and 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 net assets and revenues, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- Without donor restrictions – Net assets that are not subject to explicit donor-imposed stipulations, including board designated funds functioning as endowment.
- With donor restrictions – Net assets subject to donor-imposed stipulations, including stipulations that will be met either by actions of the Organization or the passage of time, stipulations that they be held in perpetuity by the Organization, and net assets from endowments not yet appropriated for spending. When time and purpose restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**PERSON-TO-PERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

*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 equity funds and fixed income funds, 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 net assets without donor restrictions in the statements of activities and change in net assets unless a donor or law restricts their use.

**Property and Equipment**

Property and equipment are carried at cost, if purchased, or at fair values on dates donated, if contributed, less accumulated depreciation and amortization. Person-to-Person reports gifts of property and equipment as net assets without donor restrictions 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 net assets with donor restrictions. Purchases over \$500 with a useful life greater than one year are capitalized. Repairs and maintenance of existing assets are expensed as incurred.

Depreciation and amortization is determined by use of the straight-line method over the following estimated useful lives or lease term:

Leasehold improvements	5 - 20 years
Equipment and furnishings	3 - 15 years
Vehicles	5 - 7 years
Amortization (computers and software)	3 - 5 years

**PERSON-TO-PERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date comprise the following:

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 3,452,529	\$ 1,546,326
Investments	2,966,724	5,880,243
Contributions receivable	38,000	68,175
Miscellaneous receivables	<u>2,576</u>	<u>8,165</u>
Subtotal financial assets at year end	6,459,829	7,502,909
Less: amounts with limits on usage		
Board designated assets	-	(160,011)
Spendable net assets with donor restrictions	(483,776)	(639,600)
Endowed investments	<u>(2,823,801)</u>	<u>(3,528,924)</u>
Total financial assets available for general use within one year	<u>\$ 3,152,252</u>	<u>\$ 3,174,374</u>

As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in short-term investments and money market funds. The increase in cash and cash equivalents in 2022 resulted from the Organization liquidating its investment in short-term bond mutual funds and investing such proceeds in money market funds.

**NOTE 4 – CONTRIBUTIONS RECEIVABLE**

Contributions receivable totaling \$38,000 and \$68,175 are due in less than one year and expected to be fully collectible as of June 30, 2022 and 2021, respectively.

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30:

	<b>2022</b>	<b>2021</b>
Equipment and software	\$ 303,722	\$ 312,496
Furniture and fixtures	149,086	143,944
Leasehold improvements	1,057,031	1,054,477
Vehicles	335,119	352,304
Construction in progress	<u>-</u>	<u>12,000</u>
	1,844,958	1,875,221
Less: accumulated depreciation and amortization	<u>(1,173,849)</u>	<u>(1,092,551)</u>
Total Property and Equipment, net	<u>\$ 671,109</u>	<u>\$ 782,670</u>

Depreciation and amortization expense was \$165,061 and \$157,899 for the years ended June 30, 2022 and 2021, respectively.

The Organization wrote down and disposed of assets consisting of vehicles, buildings and improvements. The value of the assets disposed of was \$83,763 and \$86,204 for the years ended June 30, 2022 and 2021, respectively.

**PERSON-TO-PERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 8 – RESTRICTIONS AND DESIGNATIONS OF NET ASSETS**

Net assets with donor restrictions were available for the following purposes at June 30:

	<u>2022</u>	<u>2021</u>
Janet Evans Endowment Fund	\$ 2,976,725	\$ 3,678,924
Food programs	6,435	31,871
Critical needs programs	29,258	143,007
Capital campaign	28,036	42,166
Campership	185,161	203,975
Scholarship programs	145,771	171,340
Holiday toy store	27,345	14,801
Equipment	35,036	-
Logo and website	-	10,000
Professional development	10,800	800
Other programs and projects	<u>15,934</u>	<u>14,951</u>
<b>Total Net Assets with Donor Restrictions</b>	<b><u>\$ 3,460,501</u></b>	<b><u>\$ 4,311,835</u></b>

Net assets released from donor restrictions and disbursed during the years ended June 30 were as follows:

	<u>2022</u>	<u>2021</u>
Janet Evans Endowment Fund appropriations	\$ 166,741	\$ 163,172
Food programs	241,546	777,279
Critical needs programs	1,069,982	1,636,332
Technology, strategic planning, and training	-	20,116
Capital improvements	-	56,781
Capital campaign	14,130	10,145
Camperships programs	189,320	135,553
Scholarship programs	245,592	284,097
Baby Basics	7,395	5,000
Holiday toy store	48,008	57,582
Logo and website	-	10,000
Professional development	5,300	6,700
Other programs and projects	<u>88,086</u>	<u>79,819</u>
<b>Total Net Assets Released from Restrictions</b>	<b><u>\$ 2,076,100</u></b>	<b><u>\$ 3,242,576</u></b>

**PERSON-TO-PERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 9 – JANET EVANS ENDOWMENT FUND (Continued)**

The Organization currently has an investment policy that provides for an asset allocation that is designed to meet the goals of the Organization based on a number of factors including the projected spending needs, the maintenance of sufficient liquidity and the return objectives and risk tolerances of the Organization. The asset allocation plan provides for diversification of assets in an effort to maximize the investment return and manage risk of the Organization consistent with market conditions.

**NOTE 10 – BOARD DESIGNATED NET ASSETS**

The Organization has received significant funding for emergency efforts during the Pandemic. In fiscal 2020, the Board of Directors voted to designate \$677,184 of net assets without donor restrictions for COVID-19 relief efforts. During fiscal 2021, \$517,173 was used for the purpose for which it was designated. The balance of board designated net assets as of June 30, 2021 was \$160,011.

As of January 13, 2022, all remaining funds were used for the purpose for which they were designated and no balance remains.

**NOTE 11 – CONTRIBUTED NON-FINANCIAL ASSETS**

For the years ended June 30, contributed nonfinancial assets recognized within the statements of activities included the following:

	<b>2022</b>	<b>2021</b>
Clothing, food and supplies	\$ 8,209,550	\$ 9,145,244
Professional services	125,614	82,808
<b>Total contributed non-financial assets</b>	<b>\$ 8,335,164</b>	<b>\$ 9,228,052</b>

During 2022 and 2021, Person-to-Person recognized donated clothing, food, and supplies of \$8,209,550 and \$9,145,244, 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 review was conducted in 2022 based upon data published by Feeding America. The weight of the typical bag of groceries received is ten pounds. Food contributions for 2022 and 2021 have been reported based upon these benchmarks.

For the years ended June 30, 2022 and 2021, donated professional services recognized in the financial statements totaled \$125,614 and \$82,808, respectively.

The Organization received the services of approximately 2,500 and 1,300 individual volunteers for years ended June 30, 2022 and 2021, respectively. Volunteer services are not recognized in the statement of activities and change in net assets because such services do not involve specialized skills; however, they represent greater than 42,000 and 23,000 hours of service for the year ended June 30, 2022 and 2021, 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 \$1,439,134 and \$1,389,316 for the years ended June 30, 2022 and 2021, respectively (based on the Independent Sector valuation of Connecticut volunteer time at an hourly rate of \$33.35 and \$33.28 for the years ended June 30, 2022 and 2021, respectively).

**PERSON-TO-PERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 15 – 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 June 30, 2022 and 2021, the Organization's uninsured cash and cash equivalents balance totaled \$1,945,834 and \$35,302, respectively.

**NOTE 16 – 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 17 – COVID-19 PANDEMIC**

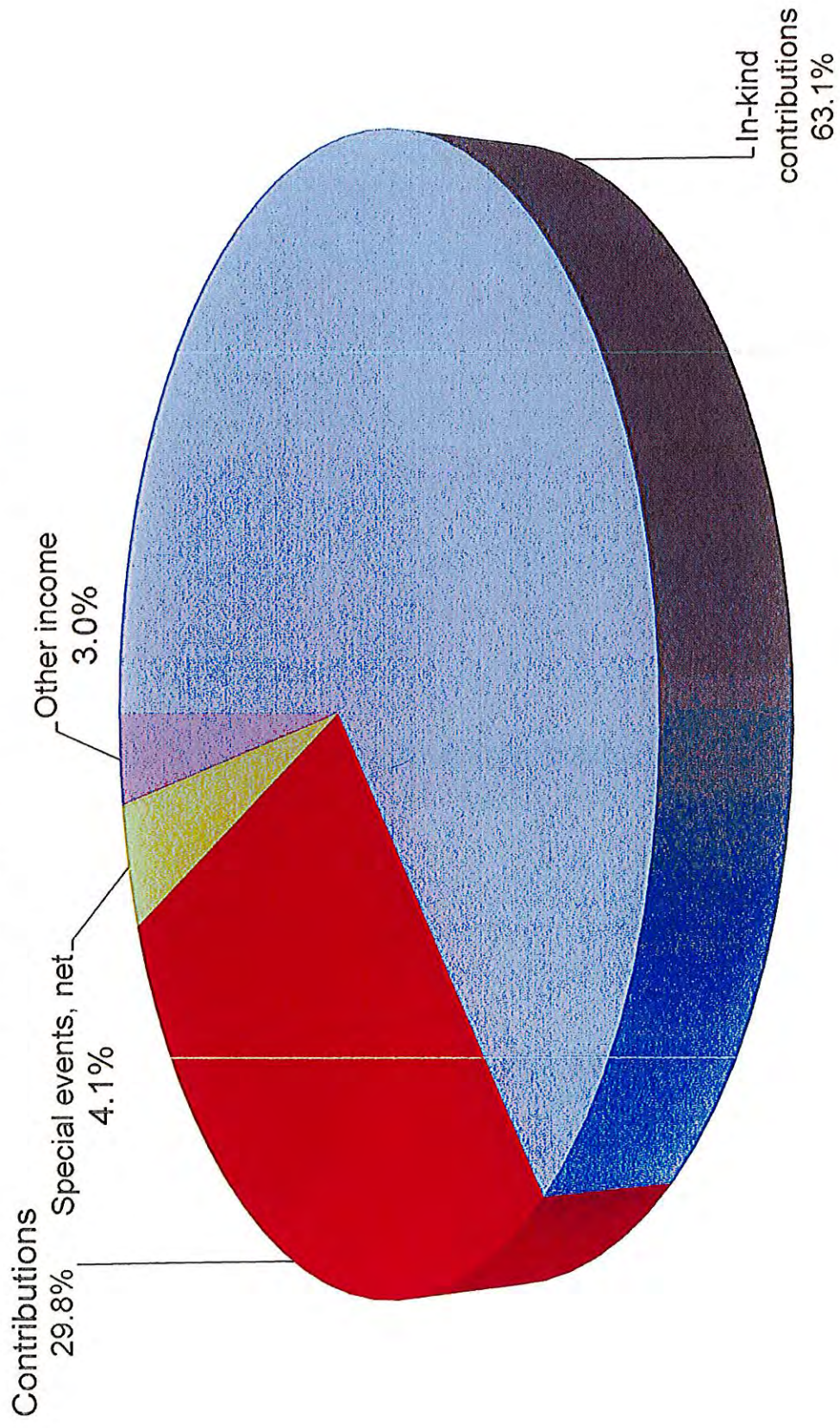
On March 11, 2020, the World Health Organization ("WHO") recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy, including the industries in which the Organization operates.

**NOTE 18 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 18, 2023, the date the financial statements were available to be issued.

# Person-to-Person, Inc.

Income Distribution, without Investment Return  
For the Year Ended June 30, 2022



See independent auditors' report.