



person**to**person

**Person-to-Person, Inc.
Financial Statements and Supplementary Information
Together with Independent Auditors' Report**

For the Years Ended June 30, 2023 and 2022



PERSON-TO-PERSON, INC.
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
TOGETHER WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of Person-to-Person, Inc. (a not for profit organization), (the "Organization"), which comprise the statements of financial position as of June 30, 2023 and 2022, 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.

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, 2023 and 2022, 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.

Basis for Opinion

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

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Organization changed its method of accounting for leases as a result of the adoption of Accounting Standards Codification Topic 842, *Leases*, effective July 1, 2022, under the modified retrospective transition method. Our opinion is not modified with respect to this matter.

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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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 21-22 for the year ended June 30, 2023, 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 audits 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mayer Roffman McCann CPAs

Purchase, New York
January 30, 2024

PERSON-TO-PERSON, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS

| | 2023 | 2022 |
|--|---------------------|---------------------|
| Current Assets | | |
| Cash and cash equivalents | \$ 2,237,116 | \$ 3,452,529 |
| Government grants receivable | 105,433 | - |
| Contributions receivable | 41,667 | 38,000 |
| Inventory | 102,040 | 140,510 |
| Prepaid expenses and other receivables | 74,249 | 115,480 |
| Total Current Assets | 2,560,505 | 3,746,519 |
| Property and equipment, net | 580,931 | 671,109 |
| Security deposit | 10,587 | 10,587 |
| Investments - Operating Reserve | 992,082 | - |
| Investments - Janet Evans Endowment Fund | 3,253,648 | 2,966,724 |
| Operating lease right-of-use assets | 327,386 | - |
| TOTAL ASSETS | \$ 7,725,139 | \$ 7,394,939 |

LIABILITIES AND NET ASSETS

| | | |
|---|---------------------|---------------------|
| Current Liabilities | | |
| Accounts payable and accrued expenses | \$ 118,867 | \$ 100,190 |
| Deferred revenue | - | 19,441 |
| Agency liabilities | 48,369 | 20,676 |
| Due to Saint Luke's Parish | 1,000 | - |
| Operating lease liabilities, current portion | 83,830 | - |
| Total Current Liabilities | 252,066 | 140,307 |
| Operating lease liabilities, net of current portion | 247,318 | - |
| TOTAL LIABILITIES | 499,384 | 140,307 |
| Net Assets | | |
| Without donor restrictions: | | |
| Available for operations | 2,775,165 | 3,123,022 |
| Net investment in property and equipment | 580,931 | 671,109 |
| Total without donor restrictions | 3,356,096 | 3,794,131 |
| With donor restrictions | 3,869,659 | 3,460,501 |
| Total Net Assets | 7,225,755 | 7,254,632 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 7,725,139 | \$ 7,394,939 |

See accompanying notes to financial statements.

PERSON-TO-PERSON, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|---------------------------------------|------------------------------------|---------------------|
| PUBLIC SUPPORT AND REVENUE | | | |
| PUBLIC SUPPORT | | | |
| Contributions - cash | \$ 1,752,452 | \$ 2,032,402 | \$ 3,784,854 |
| Contributed non-financial assets - goods | 10,803,800 | - | 10,803,800 |
| Contributed non-financial assets - service | 3,300 | - | 3,300 |
| Contributed non-financial assets - facilities | 17,850 | - | 17,850 |
| Government grants | 597,528 | - | 597,528 |
| Investment gain | 78,425 | 283,008 | 361,433 |
| Total Public Support | <u>13,253,355</u> | <u>2,315,410</u> | <u>15,568,765</u> |
| Special events income | 729,213 | - | 729,213 |
| Less: Costs of direct benefit to donors | (113,312) | - | (113,312) |
| Net revenues from special events | <u>615,901</u> | <u>-</u> | <u>615,901</u> |
| REVENUE | | | |
| OPUS dues | 7,734 | - | 7,734 |
| Other revenue | 5,170 | - | 5,170 |
| Net assets released from restrictions: | | | |
| Satisfaction of program and purpose restrictions | 1,906,252 | (1,906,252) | - |
| Total Revenue | <u>1,919,156</u> | <u>(1,906,252)</u> | <u>12,904</u> |
| Total Public Support and Revenue | <u>15,788,412</u> | <u>409,158</u> | <u>16,197,570</u> |
| EXPENSES | | | |
| Program Services | | | |
| Critical needs | 14,456,192 | - | 14,456,192 |
| Scholarships | 319,653 | - | 319,653 |
| Camperships | 249,291 | - | 249,291 |
| Total Program Services | <u>15,025,136</u> | <u>-</u> | <u>15,025,136</u> |
| Supporting Services | | | |
| Management and general | 388,176 | - | 388,176 |
| Fund development | 813,135 | - | 813,135 |
| Total Supporting Services | <u>1,201,311</u> | <u>-</u> | <u>1,201,311</u> |
| Total Expenses | <u>16,226,447</u> | <u>-</u> | <u>16,226,447</u> |
| CHANGE IN NET ASSETS | (438,035) | 409,158 | (28,877) |
| Net assets - beginning of year | <u>3,794,131</u> | <u>3,460,501</u> | <u>7,254,632</u> |
| Net assets - end of year | <u>\$ 3,356,096</u> | <u>\$ 3,869,659</u> | <u>\$ 7,225,755</u> |

See accompanying notes to financial statements.

PERSON-TO-PERSON, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---------------------------------------|------------------------------------|--------------|
| PUBLIC SUPPORT AND REVENUE | | | |
| PUBLIC SUPPORT | | | |
| Contributions - cash | \$ 2,129,240 | \$ 1,760,224 | \$ 3,889,464 |
| Contributed non-financial assets - goods | 8,209,550 | - | 8,209,550 |
| Contributed non-financial assets - service | 109,680 | - | 109,680 |
| Contributed non-financial assets - facilities | 15,934 | - | 15,934 |
| Government grants | 382,514 | - | 382,514 |
| Investment loss | (24,137) | (535,458) | (559,595) |
| Total Public Support | 10,822,781 | 1,224,766 | 12,047,547 |
| Special events income | 699,669 | - | 699,669 |
| Less: Costs of direct benefit to donors | (166,222) | - | (166,222) |
| Net revenues from special events | 533,447 | - | 533,447 |
| REVENUE | | | |
| OPUS dues | 11,257 | - | 11,257 |
| Other revenue | 2,907 | - | 2,907 |
| Net assets released from restrictions: | | | |
| Satisfaction of program restrictions | 2,076,100 | (2,076,100) | - |
| Total Revenue | 2,090,264 | (2,076,100) | 14,164 |
| Total Public Support and Revenue | 13,446,492 | (851,334) | 12,595,158 |
| EXPENSES | | | |
| Program Services | | | |
| Critical needs | 11,940,137 | - | 11,940,137 |
| Scholarships | 313,343 | - | 313,343 |
| Camperships | 230,333 | - | 230,333 |
| Total Program Services | 12,483,813 | - | 12,483,813 |
| Supporting Services | | | |
| Management and general | 367,231 | - | 367,231 |
| Fund development | 780,339 | - | 780,339 |
| Total Supporting Services | 1,147,570 | - | 1,147,570 |
| Total Expenses | 13,631,383 | - | 13,631,383 |
| <u>CHANGE IN NET ASSETS</u> | | | |
| | (184,891) | (851,334) | (1,036,225) |
| Net assets - beginning of year | 3,979,022 | 4,311,835 | 8,290,857 |
| Net assets - end of year | \$ 3,794,131 | \$ 3,460,501 | \$ 7,254,632 |

See accompanying notes to financial statements.

PERSON-TO-PERSON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

| | PROGRAM SERVICES | | | | SUPPORTING SERVICES | | | TOTAL FUNCTIONAL EXPENSES |
|--|---------------------------|---------------------------|--------------------------|----------------------|-----------------------------------|-----------------------------|---------------------|--|
| | CRITICAL NEEDS | SCHOLAR- SHIPS | CAMPER- SHIPS | TOTAL | MANAGEMENT AND GENERAL | FUND DEVELOPMENT | TOTAL | |
| Salaries | \$ 1,309,785 | \$ 45,136 | \$ 35,623 | \$ 1,390,544 | \$ 217,637 | \$ 421,134 | \$ 638,771 | \$ 2,029,315 |
| Payroll taxes | 91,823 | 3,164 | 2,497 | 97,484 | 15,257 | 29,524 | 44,781 | 142,265 |
| Benefits | 207,039 | 7,135 | 5,631 | 219,805 | 34,402 | 66,569 | 100,971 | 320,776 |
| Payroll and Related Expenditures | 1,608,647 | 55,435 | 43,751 | 1,707,833 | 267,296 | 517,227 | 784,523 | 2,492,356 |
| Clothing and food distributed | 10,842,270 | - | - | 10,842,270 | - | - | - | 10,842,270 |
| Grants and assistance | 780,906 | 255,229 | 198,987 | 1,235,122 | - | - | - | 1,235,122 |
| Food and supplies | 539,978 | - | - | 539,978 | - | 89,927 | 89,927 | 629,905 |
| Program supplies | 51,081 | - | - | 51,081 | - | 32,893 | 32,893 | 83,974 |
| Donated services | 21,150 | - | - | 21,150 | - | - | - | 21,150 |
| Occupancy | 208,474 | 2,342 | 2,342 | 213,158 | 14,054 | 30,412 | 44,466 | 257,624 |
| Office expenses | 37,446 | 1,372 | 515 | 39,333 | 5,214 | 68,478 | 73,692 | 113,025 |
| Insurance | - | - | - | - | 41,337 | - | 41,337 | 41,337 |
| Postage | 9,546 | 258 | 129 | 9,933 | 774 | 3,609 | 4,383 | 14,316 |
| Equipment maintenance and support | 107,627 | 1,354 | 811 | 109,792 | 4,600 | 25,798 | 30,398 | 140,190 |
| Computer supplies and software | 4,515 | 482 | 421 | 5,418 | 366 | 1,038 | 1,404 | 6,822 |
| Telephone | 12,417 | 58 | 58 | 12,533 | 13,812 | 691 | 14,503 | 27,036 |
| Vehicle expense | 32,790 | - | - | 32,790 | - | - | - | 32,790 |
| Volunteers and training | 26,400 | 519 | 259 | 27,178 | 1,556 | 4,616 | 6,172 | 33,350 |
| Audit | - | - | - | - | 25,992 | - | 25,992 | 25,992 |
| Communications | - | - | - | - | - | 64,301 | 64,301 | 64,301 |
| Consulting | 10,884 | 450 | 150 | 11,484 | 6,715 | 37,631 | 44,346 | 55,830 |
| Project consulting | 18,258 | 494 | 247 | 18,999 | 1,481 | 14,295 | 15,776 | 34,775 |
| Other | 3,020 | 78 | 39 | 3,137 | 233 | 26,040 | 26,273 | 29,410 |
| Depreciation and amortization | 140,783 | 1,582 | 1,582 | 143,947 | 4,746 | 9,491 | 14,237 | 158,184 |
| Total Expenses | 14,456,192 | 319,653 | 249,291 | 15,025,136 | 388,176 | 926,447 | 1,314,623 | 16,339,759 |
| Less: direct benefits to donors recorded on statement of activities and changes in net assets | - | - | - | - | - | (113,312) | (113,312) | (113,312) |
| Total Functional Expenses | <u>\$ 14,456,192</u> | <u>\$ 319,653</u> | <u>\$ 249,291</u> | <u>\$ 15,025,136</u> | <u>\$ 388,176</u> | <u>\$ 813,135</u> | <u>\$ 1,201,311</u> | <u>\$ 16,226,447</u> |

See accompanying notes to financial statements.

PERSON-TO-PERSON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

| | <u>PROGRAM SERVICES</u> | | | | <u>SUPPORTING SERVICES</u> | | | <u>TOTAL FUNCTIONAL EXPENSES</u> |
|--|---------------------------|---------------------------|--------------------------|----------------------|-----------------------------------|-----------------------------|---------------------|--|
| | <u>CRITICAL NEEDS</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 | \$ 1,208,740 | \$ 39,217 | \$ 29,955 | \$ 1,277,912 | \$ 227,763 | \$ 450,683 | \$ 678,446 | \$ 1,956,358 |
| Payroll taxes | 85,610 | 2,778 | 2,122 | 90,510 | 16,132 | 31,920 | 48,052 | 138,562 |
| Benefits | 183,608 | 5,957 | 4,550 | 194,115 | 34,597 | 68,459 | 103,056 | 297,171 |
| Payroll and Related Expenditures | 1,477,958 | 47,952 | 36,627 | 1,562,537 | 278,492 | 551,062 | 829,554 | 2,392,091 |
| Clothing and food distributed | 8,164,208 | - | - | 8,164,208 | - | - | - | 8,164,208 |
| Grants and assistance | 1,076,155 | 259,138 | 189,320 | 1,524,613 | - | - | - | 1,524,613 |
| Food and supplies | 394,962 | - | - | 394,962 | - | 150,390 | 150,390 | 545,352 |
| Program supplies | 53,130 | - | - | 53,130 | - | 13,320 | 13,320 | 66,450 |
| Donated services | 125,614 | - | - | 125,614 | - | - | - | 125,614 |
| Occupancy | 220,489 | 601 | 601 | 221,691 | 3,004 | 13,210 | 16,214 | 237,905 |
| Office expenses | 31,829 | 1,046 | 351 | 33,226 | 4,233 | 57,016 | 61,249 | 94,475 |
| Insurance | - | - | - | - | 39,865 | - | 39,865 | 39,865 |
| Postage | 2,067 | 65 | 28 | 2,160 | 168 | 16,316 | 16,484 | 18,644 |
| Equipment maintenance and support | 93,379 | 1,553 | 665 | 95,597 | 3,802 | 23,699 | 27,501 | 123,098 |
| Computer supplies and software | 3,215 | 447 | 403 | 4,065 | 261 | 739 | 1,000 | 5,065 |
| Telephone | 26,218 | 208 | 208 | 26,634 | 1,042 | 2,502 | 3,544 | 30,178 |
| Vehicle expense | 31,638 | - | - | 31,638 | - | - | - | 31,638 |
| Volunteers and training | 9,438 | 116 | 58 | 9,612 | 349 | 3,488 | 3,837 | 13,449 |
| Audit | - | - | - | - | 24,000 | - | 24,000 | 24,000 |
| Communications | - | - | - | - | - | 63,111 | 63,111 | 63,111 |
| Consulting | 62,417 | 450 | 150 | 63,017 | 6,715 | 4,550 | 11,265 | 74,282 |
| Project consulting | 1,850 | 50 | 25 | 1,925 | 150 | 26,059 | 26,209 | 28,134 |
| Other | 18,667 | 66 | 246 | 18,979 | 198 | 11,195 | 11,393 | 30,372 |
| Depreciation and amortization | 146,903 | 1,651 | 1,651 | 150,205 | 4,952 | 9,904 | 14,856 | 165,061 |
| Total Expenses | 11,940,137 | 313,343 | 230,333 | 12,483,813 | 367,231 | 946,561 | 1,313,792 | 13,797,605 |
| Less: direct benefits to donors recorded on statement of activities and changes in net assets | - | - | - | - | - | (166,222) | (166,222) | (166,222) |
| Total Functional Expenses | <u>\$ 11,940,137</u> | <u>\$ 313,343</u> | <u>\$ 230,333</u> | <u>\$ 12,483,813</u> | <u>\$ 367,231</u> | <u>\$ 780,339</u> | <u>\$ 1,147,570</u> | <u>\$ 13,631,383</u> |

See accompanying notes to financial statements.

PERSON-TO-PERSON, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

| | 2023 | 2022 |
|--|--------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ (28,877) | \$ (1,036,225) |
| Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities: | | |
| Realized and unrealized losses (gains) on investments, net | (235,546) | 773,600 |
| Depreciation and amortization | 158,184 | 165,061 |
| Non-cash lease expense | 83,308 | - |
| Changes in Operating Assets and Liabilities: | | |
| Government grants receivable | (105,433) | - |
| Contributions receivable | (3,667) | 30,175 |
| Inventory | 38,470 | (45,342) |
| Prepaid expenses and other receivables | 41,231 | 9,666 |
| Accounts payable and accrued expenses | 18,677 | (88,614) |
| Agency liabilities | 27,693 | (7,978) |
| Deferred revenue | (19,441) | 19,441 |
| Due to Saint Luke's Parish | 1,000 | - |
| Operating lease liabilities | (79,546) | - |
| Total Adjustments | (75,070) | 856,009 |
| Net Cash Used in Operating Activities | (103,947) | (180,216) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of investments | 3,051,740 | 2,704,002 |
| Purchase of investments | (4,095,200) | (564,083) |
| Purchase of property and equipment | (68,006) | (53,500) |
| Net Cash (Used in) Provided by Investing Activities | (1,111,466) | 2,086,419 |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (1,215,413) | 1,906,203 |
| Cash and cash equivalents - beginning of year | 3,452,529 | 1,546,326 |
| Cash and cash equivalents - end of year | \$ 2,237,116 | \$ 3,452,529 |
| Supplemental disclosure of noncash investing and financing activities: | | |
| Adoption of Accounting Standards Codification 842, Leases | | |
| Operating lease right of use asset | \$ 410,694 | \$ - |
| Operating lease right of use liability | \$ 410,694 | \$ - |

See accompanying notes to financial statements.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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 2023 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 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 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, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Contributions: Person-to-Person reports gifts of cash and other assets as with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and change in net assets as net assets released from restrictions. If a donor restriction is fulfilled in the same time period in which the contribution is received, the Organization recognizes the support as without donor restrictions.

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 and foundation grants and contracts are nonexchange transactions and accounted for under Accounting Standards Update (“ASU”) 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). Grants and contracts are recognized as revenue when barriers within the contract are overcome, and there is no right of return. Grants and contracts amounted to \$1,743,603 and \$1,454,749 for the years ended June 30, 2023 and 2022, respectively, and are included in the statements of activities and change in net assets.

During the year ended June 30, 2022, the Organization received conditional grants from government agencies in the aggregate amounts of \$19,144 and the grant was recognized in the year ended June 30, 2023.

Contributed non-financial assets: 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 and recognized contributed services from specialized professionals for its critical needs programs and administrative functions of \$21,150 and \$125,614 during the years ended June 30, 2023 and 2022, respectively. The programs run by the Organization require the dedication and resources of over 2,500 volunteers who provided approximately 42,000 hours of service assisting clients, stocking the food pantry, sorting clothing, packing bags and boxes for clients and other tasks. During 2023 and 2022, Person-to-Person recognized donated clothing, food and supplies of \$10,803,800 and \$8,209,550, respectively, for use in Person-to-Person’s programs.

Government Grants and Contributions Receivable

Management reviews the balances of government grants and contributions receivable on a regular basis and expects all amounts to be fully collectible; therefore, there is no allowance for doubtful accounts.

Inventory

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

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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 hierarchical 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 and Level 2 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.

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 |

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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 June 30, 2023, 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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 acquired to be cash equivalents.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and change in net assets and functional expenses. Most of the expenses are attributed to actual usage, however, the financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

The expenses that are allocated include salaries and wages, benefits, payroll taxes which are allocated on the basis of estimates of time and effort. Professional services, office expenses, information technology, interest, insurance, occupancy, depreciation, and amortization, and other are allocated based by account across functions. The direct costs of special events include expenses for the benefit of the donors.

Recently Issued Accounting Pronouncements – Adopted

In February 2016, the FASB issued ASU 2016-02, (Topic 842): *Leases*, which establishes a right of use model (“ROU”) that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The Organization adopted the standard effective July 1, 2022 using the modified retrospective approach and recognized and measured leases existing at or entered into after July 1, 2022, which resulted in the recognition of operating right-of use assets in the amount of \$410,694, as well as operating lease liabilities in the amount of \$410,694. The Organization recorded the impact of adoption as of July 1, 2022 without restating any prior-year amounts or disclosures.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements – Adopted (Continued)

The Organization leases office and warehouse space in Connecticut. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the balance sheet. ROU assets represent the Organization’s right to use an underlying asset for the lease term, and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date or the adoption date of ASU 2016-02 based on the present value of lease payments over the lease term. As most of the Organization’s leases do not provide an implicit rate, the Organization uses the risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Organization’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. For operating leases, interest on the lease liability and the amortization of the right-of-use asset result in straight-line rent expense over the lease term. Variable lease expenses are recorded when incurred. The Organization’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization regularly monitors liquidity required to meet its operating needs, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, marketable equity securities and receivables. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of critical needs, campership, and scholarship as well as services undertaken to support those activities to be general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

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:

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| Cash and cash equivalents | \$ 2,237,116 | \$ 3,452,529 |
| Investments | 4,245,730 | 2,966,724 |
| Contributions receivable | 41,667 | 38,000 |
| Government grants receivable | 105,433 | - |
| Miscellaneous receivables | <u>-</u> | <u>2,576</u> |
| Subtotal financial assets at year end | 6,629,946 | 6,459,829 |
| Less: amounts with limits on usage | | |
| Spendable net assets with donor restrictions | (756,048) | (483,776) |
| Endowed investments, net of appropriations for the following fiscal year | <u>(2,973,612)</u> | <u>(2,823,801)</u> |
| Total financial assets available for general use within one year | <u>\$ 2,900,286</u> | <u>\$ 3,152,252</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.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 4 – GOVERNMENT GRANTS RECEIVABLE

Government grants receivable totaling \$105,433 are due in less than one year and expected to be fully collectible as of June 30, 2023.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

| | 2023 | 2022 |
|---|-------------------|-------------------|
| Equipment and software | \$ 318,900 | \$ 303,722 |
| Furniture and fixtures | 149,086 | 149,086 |
| Leasehold improvements | 1,057,031 | 1,057,031 |
| Vehicles | 349,255 | 335,119 |
| | 1,912,964 | 1,844,958 |
| Less: accumulated depreciation and amortization | (1,293,341) | (1,173,849) |
| Total Property and Equipment, net | \$ 580,931 | \$ 671,109 |

Depreciation and amortization expense was \$158,184 and \$165,061 for the years ended June 30, 2023 and 2022, 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 for the year ended June 30, 2022.

NOTE 6 – INVESTMENTS

The following table sets forth, within Level 1 and Level 2 of the fair value hierarchy, the Organization's investments at fair value at June 30:

| | 2023 | | |
|----------------------------------|---------------------|---------------------|---------------------|
| | Level 1 | Level 2 | Total |
| Equity funds | \$ - | \$ 2,904,537 | \$ 2,904,537 |
| Fixed income funds | 1,341,193 | - | 1,341,193 |
| Total Investments, at Fair Value | \$ 1,341,193 | \$ 2,904,537 | \$ 4,245,730 |
| | 2022 | | |
| | Level 1 | | |
| Equity funds | \$ 2,364,179 | | |
| Fixed income funds | 602,545 | | |
| Total Investments, at Fair Value | \$ 2,966,724 | | |

During 2023, the Person to Person Janet Evans Endowment Fund was moved from Vanguard to Fidelity, with the funds now being primarily invested in the Fidelity Legacy Fund LP and as a result have been designated Level 2 Investments.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 6 – INVESTMENTS (Continued)

Investment activity, including interest earned on cash accounts, is summarized as follows for the years ended June 30:

| | <u>2023</u> | <u>2022</u> |
|-------------------------------------|-----------------------|-------------------------|
| Interest and dividend income | \$ 132,008 | \$ 227,822 |
| Realized (losses) gains | (536) | (6,779) |
| Unrealized (losses) gains | 236,082 | (766,821) |
| Investment fees | <u>(6,121)</u> | <u>(13,817)</u> |
| Total Investment (Losses) Gains | <u>\$ 361,433</u> | <u>\$ (559,595)</u> |

Investments are managed in accordance with board-approved policies and consist of investments in the Janet Evans Endowment Fund and operating reserves. At June 30, 2022, the Janet Evans Endowment Fund had a net asset depreciation of \$759,355 (inclusive of fees) which impacted net assets accordingly. The policies, which also permit a portion of the Janet Evans Endowment Fund (see Note 8) 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.

NOTE 7 – RESTRICTIONS AND DESIGNATIONS OF NET ASSETS

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

| | <u>2023</u> | <u>2022</u> |
|--|-------------------------|-------------------------|
| Janet Evans Endowment Fund | \$ 3,113,612 | \$ 2,976,725 |
| Food programs | 1,319 | 6,435 |
| Critical needs programs | 206,041 | 29,258 |
| Capital campaign | 28,036 | 28,036 |
| Campership | 109,635 | 185,161 |
| Scholarship programs | 32,850 | 145,771 |
| Holiday toy store | 36,267 | 27,345 |
| Equipment | 70,172 | 35,036 |
| Future fund | 256,612 | - |
| Professional development | 969 | 10,800 |
| Other programs and projects | <u>14,146</u> | <u>15,934</u> |
| Total Net Assets with Donor Restrictions | <u>\$ 3,869,659</u> | <u>\$ 3,460,501</u> |

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7 – RESTRICTIONS AND DESIGNATIONS OF NET ASSETS (Continued)

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

| | <u>2023</u> | <u>2022</u> |
|---|-------------------------|-------------------------|
| Janet Evans Endowment Fund appropriations | \$ 146,121 | \$ 166,741 |
| Food programs | 188,137 | 241,546 |
| Critical needs programs | 961,003 | 1,069,982 |
| Equipment | 69,864 | - |
| Capital campaign | - | 14,130 |
| Camperships programs | 199,037 | 189,320 |
| Scholarship programs | 269,931 | 245,592 |
| Baby Basics | 105 | 7,395 |
| Holiday toy store | 18,541 | 48,008 |
| Professional development | 19,331 | 5,300 |
| Other programs and projects | <u>34,182</u> | <u>88,086</u> |
| Total Net Assets Released from Restrictions | <u>\$ 1,906,252</u> | <u>\$ 2,076,100</u> |

NOTE 8 – JANET EVANS ENDOWMENT FUND

In 2003, Person-to-Person received funds with donor restrictions to establish the Janet Evans Endowment Fund (the “Fund”) to honor the retirement of former Executive Director Janet Evans to further the mission of the Organization. The contributions to the Fund are invested as directed by an endowment committee appointed by the Board of Directors. Appropriations from the Fund in a given year, which may be used at the discretion of the Board of Directors, are based on the allowable annual payout of the Endowment. The allowable annual payout of the Endowment (including distributions, management fees and expenses) will not exceed 5% of the average of the market value of the Endowment for the prior fiscal three year-ends.

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

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 8 – JANET EVANS ENDOWMENT FUND (Continued)

Changes in endowment net assets during the years ended June 30, 2023 and 2022 are as follows:

| | <u>With Donor Restrictions</u> |
|---|---|
| Net assets, July 1, 2021 | \$ 3,678,925 |
| Investment income | 210,079 |
| Net asset depreciation | (745,538) |
| Investment fees | (13,817) |
| Appropriation of endowment assets for expenditure | <u>(152,924)</u> |
| Net assets, June 30, 2022 | 2,976,725 |
| Investment income | 61,425 |
| Net asset appreciation | 221,582 |
| Investment fees | (6,120) |
| Appropriation of endowment assets for expenditure | <u>(140,000)</u> |
| Net assets, June 30, 2023 | <u>\$ 3,113,612</u> |

The Organization's Board of Directors, as a matter of policy, 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 net assets with donor restrictions 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. In accordance with accounting principles generally accepted in the United States of America, any deterioration of the fair value of assets associated with donor restricted endowment funds that fall below the level the donor requires the Organization to retain in perpetuity is to be reported in net assets with donor restrictions. The deficiencies may result from unfavorable market fluctuations that occurred in the economy as a whole that may have affected the donor restricted endowment fund where the fair value of the donor restricted endowment fund fell below the amount that is required to be held in perpetuity.

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.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 9 – CONTRIBUTED NON-FINANCIAL ASSETS

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

| | <u>2023</u> | <u>2022</u> |
|--|----------------------|---------------------|
| Clothing, food and supplies | \$ 10,803,800 | \$ 8,209,550 |
| Professional services | 3,300 | 109,680 |
| Facilities | <u>17,850</u> | <u>15,934</u> |
| Total contributed non-financial assets | <u>\$ 10,824,950</u> | <u>\$ 8,335,164</u> |

During 2023 and 2022, Person-to-Person recognized donated clothing, food, and supplies of \$10,803,800 and \$8,209,550, 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 2023 based upon data published by Feeding America. The weight of the typical bag of groceries received is ten pounds. Food contributions for 2023 and 2022 have been reported based upon these benchmarks.

Professional services recognized comprise of training and education services from consultants, and additional service for software implementation and other projects. These services are valued and reported at the estimated fair value in the financial statements based on current rates for similar consulting services.

Facilities recognized comprise of rental and storage space provided for various events held during the year. These services are valued and reported at the estimated fair value of rent provided by the donor.

The Organization received the services of approximately 2,000 and 2,500, individual volunteers for the years ended June 30, 2023 and 2022, respectively. 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 38,000 and 42,000 hours of service for the years ended June 30, 2023 and 2022, 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 \$1,223,405 and \$1,439,134 for the years ended June 30, 2023 and 2022, respectively (based on the Independent Sector valuation of Connecticut volunteer time at an hourly rate of \$33.28 and \$33.35 for the years ended June 30, 2023 and 2022, respectively).

NOTE 10 – 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 calendar 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 match up to \$3,500 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 \$35,865 and \$39,042 for the years ended June 30, 2023 and 2022, respectively.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 11 – RELATED-PARTY TRANSACTIONS

An independent Board of Directors elected by St. Luke’s oversees the management and operation of Person-to-Person. Person-to-Person occupies two buildings on St. Luke’s property in Darien, Connecticut, which it uses for offices, a clothing distribution center and a food pantry, and also shares certain other economic resources with St. Luke’s. In April 2010, Person-to-Person entered into an agreement to pay an occupancy expense of \$4,000 per month to St. Luke’s. The agreement was on a month-to-month basis.

On January 1, 2023, Person-to-Person entered into a new agreement with St. Luke’s for the use of the buildings that the Organization has been using in exchange for paying the pro-rata share of the ongoing operating expenses related to the buildings and grounds. Those amounts are to be paid monthly and Person-to-Person has agreed to pay their pro-rata portion of the aforementioned expenses through December 31, 2032. Either party can terminate this agreement with six months’ written notice starting after January 1, 2028.

There were payables balance due to St. Luke’s of \$1,000 and \$0 at June 30, 2023 and 2022, respectively, for certain expenses paid for by St. Luke’s. St. Luke’s donated \$23,570 and \$47,750 to the Organization as part of the annual outreach program of the church for the years ended June 30, 2023 and 2022, respectively.

NOTE 12 – OPERATING LEASES

The Organization has a lease on a facility at 76 South Main Street in Norwalk, Connecticut which operates as a food pantry and wrap around casework services. The lease is a five-year operating lease, commencing August 1, 2016 and expiring July 31, 2021, with escalations each year. The lease agreement was extended an additional five years in May 2021.

In December 2017, the Organization entered into a ten-year operating lease agreement for warehouse space in Stamford, Connecticut, with lease payments commencing in February 2018. This location houses P2P on Wheels and serves as a food storage location for the entire Organization. The Organization has the right to terminate the lease after December 18, 2022, with 180 days’ written notice.

As of June 30, 2023, these operating leases have a remaining weighted average lease term of 3.82 years and the Organization’s operating lease liabilities were measured using a weighted average discount risk-free rate of 2.9%. Cash paid for the amounts included in the measurement of lease liabilities was \$90,020.

The following maturity analysis table displays the undiscounted cash flows and interest impact related to the Organization’s operating leases including the lease extension as of June 30, 2023:

| Maturity of Operating Lease Liabilities | | |
|---|------|-------------------|
| | 2024 | \$ 91,999 |
| | 2025 | 94,021 |
| | 2026 | 96,089 |
| | 2027 | 44,132 |
| | 2028 | <u>23,215</u> |
| Total undiscounted cash flows | | 349,456 |
| Less: imputed Interest | | <u>18,308</u> |
| Operating lease liability | | 331,148 |
| Less: current portion | | <u>83,830</u> |
| Total | | <u>\$ 247,318</u> |

The Organization incurred rent expense of \$93,782 and \$90,220 for the year ended June 30, 2023 and 2022, respectively.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 13 – 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, 2023 and 2022, the Organization’s uninsured cash and cash equivalents balance totaled \$1,261,924 and \$1,945,834, respectively.

NOTE 14 – 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.

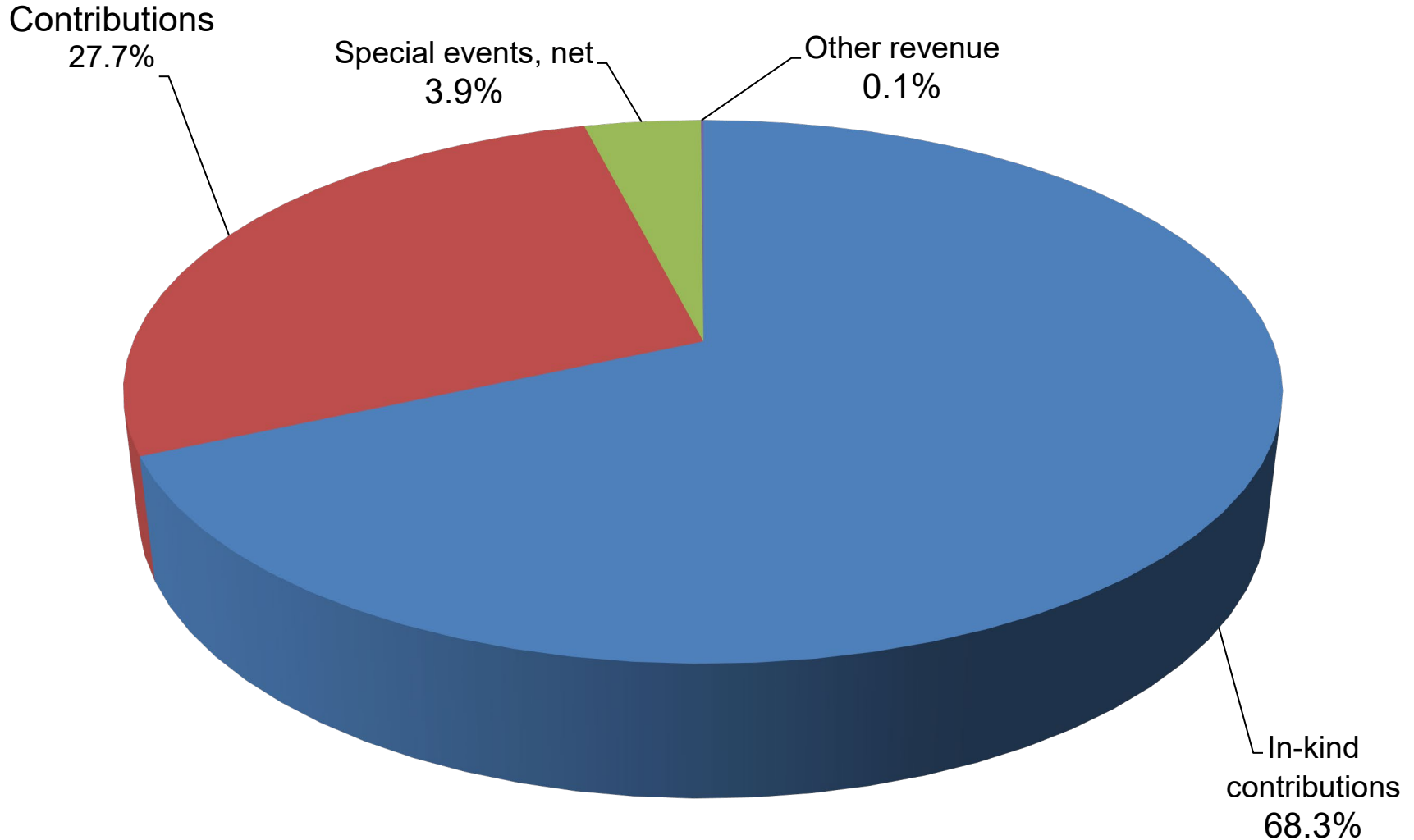
NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 30, 2024, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Person-to-Person, Inc.

Disaggregated Revenue Distribution, without Investment Return
For the Year Ended June 30, 2023



See independent auditors' report.

Person-to-Person, Inc.

Functional Expense Distribution
For the Year Ended June 30, 2023

