

PERSON-TO-PERSON, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024



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PERSON-TO-PERSON, INC.
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YEARS ENDED JUNE 30, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinion

We have audited the financial statements of Person-to-Person, Inc. (a nonprofit organization), (the Organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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, 2025 and 2024, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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.

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.

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 and Government Auditing Standards 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 and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the 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 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Hartford, Connecticut
October 13, 2025

PERSON-TO-PERSON, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,332,280	\$ 2,666,896
Government Grants Receivable	-	42,950
Contributions Receivable	60,900	6,500
Inventory	250,254	167,234
Prepaid Expenses and Other Receivables	59,126	82,871
Total Current Assets	<u>2,702,560</u>	<u>2,966,451</u>
PROPERTY AND EQUIPMENT, NET	675,114	613,397
SECURITY DEPOSIT	10,587	10,587
INVESTMENTS	1,330,451	1,242,610
INVESTMENTS - JANET EVANS ENDOWMENT FUND	3,573,703	3,326,811
OPERATING LEASE RIGHT-OF-USE ASSETS	<u>153,636</u>	<u>241,656</u>
Total Assets	<u><u>\$ 8,446,051</u></u>	<u><u>\$ 8,401,512</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 173,222	\$ 174,246
Deferred Revenue	77,050	144,759
Agency Liabilities	36,855	30,983
Operating Lease Liabilities, Current Portion	92,942	88,259
Total Current Liabilities	<u>380,069</u>	<u>438,247</u>
OPERATING LEASE LIABILITIES, NET OF CURRENT PORTION	<u>66,001</u>	<u>158,943</u>
Total Liabilities	446,070	597,190
NET ASSETS		
Without Donor Restrictions:		
Available for Operations	2,773,650	2,676,257
Net Investment in Property and Equipment	675,114	613,397
Total Without Donor Restrictions	<u>3,448,764</u>	<u>3,289,654</u>
With Donor Restrictions	4,551,217	4,514,668
Total Net Assets	<u>7,999,981</u>	<u>7,804,322</u>
Total Liabilities and Net Assets	<u><u>\$ 8,446,051</u></u>	<u><u>\$ 8,401,512</u></u>

See accompanying Notes to Financial Statements.

PERSON-TO-PERSON, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
PUBLIC SUPPORT			
Contributions	\$ 2,698,618	\$ 1,122,834	\$ 3,821,452
Contributed Nonfinancial Assets - Goods	11,787,725	-	11,787,725
Contributed Nonfinancial Assets - Service	44,612	-	44,612
Contributed Nonfinancial Assets - Facilities	46,662	-	46,662
Government Grants	1,178,121	-	1,178,121
Total Public Support	15,755,738	1,122,834	16,878,572
Special Events Income	884,489	-	884,489
Less: Costs of Direct Benefit to Donors	(157,744)	-	(157,744)
Net Revenues From Special Events	726,745	-	726,745
REVENUE			
OPUS Dues	198	-	198
Other Revenue	11,460	-	11,460
Investment Gain, Net	140,288	396,892	537,180
Net Assets Released from Restrictions:			
Satisfaction of Program and Purpose Restrictions	1,483,177	(1,483,177)	-
Total Revenue	1,635,123	(1,086,285)	548,838
Total Public Support and Revenue	18,117,606	36,549	18,154,155
EXPENSES			
Program Services:			
Critical Needs	15,722,758	-	15,722,758
Scholarships	177,818	-	177,818
Camperships	246,823	-	246,823
Total Program Services	16,147,399	-	16,147,399
Supporting Services:			
Management and General	445,923	-	445,923
Fund Development	1,365,174	-	1,365,174
Total Supporting Services	1,811,097	-	1,811,097
Total Expenses	17,958,496	-	17,958,496
CHANGE IN NET ASSETS	159,110	36,549	195,659
Net Assets - Beginning of Year	3,289,654	4,514,668	7,804,322
NET ASSETS - END OF YEAR	<u>\$ 3,448,764</u>	<u>\$ 4,551,217</u>	<u>\$ 7,999,981</u>

See accompanying Notes to Financial Statements.

PERSON-TO-PERSON, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
PUBLIC SUPPORT			
Contributions	\$ 2,520,939	\$ 1,403,344	\$ 3,924,283
Contributed Nonfinancial Assets - Goods	13,224,148	-	13,224,148
Contributed Nonfinancial Assets - Service	4,200	-	4,200
Contributed Nonfinancial Assets - Facilities	1,413	-	1,413
Government Grants	1,070,799	-	1,070,799
Total Public Support	16,821,499	1,403,344	18,224,843
Special Events Income	648,469	-	648,469
Less: Costs of Direct Benefit to Donors	(107,098)	-	(107,098)
Net Revenues From Special Events	541,371	-	541,371
REVENUE			
OPUS Dues	5,262	-	5,262
Other Revenue	13,067	-	13,067
Investment Gain, Net	144,879	372,199	517,078
Net Assets Released from Restrictions:			
Satisfaction of Program and Purpose Restrictions	1,130,534	(1,130,534)	-
Total Revenue	1,293,742	(758,335)	535,407
Total Public Support and Revenue	18,656,612	645,009	19,301,621
EXPENSES			
Program Services:			
Critical Needs	16,818,195	-	16,818,195
Scholarships	235,971	-	235,971
Camperships	220,927	-	220,927
Total Program Services	17,275,093	-	17,275,093
Supporting Services:			
Management and General	386,440	-	386,440
Fund Development	1,061,521	-	1,061,521
Total Supporting Services	1,447,961	-	1,447,961
Total Expenses	18,723,054	-	18,723,054
CHANGE IN NET ASSETS	(66,442)	645,009	578,567
Net Assets - Beginning of Year	3,356,096	3,869,659	7,225,755
NET ASSETS - END OF YEAR	<u>\$ 3,289,654</u>	<u>\$ 4,514,668</u>	<u>\$ 7,804,322</u>

See accompanying Notes to Financial Statements.

PERSON-TO-PERSON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Services				Supporting Services			Total Functional Expenses
	Critical Needs	Scholarships	Camperships	Total	Management and General	Fund Development	Total	
Salaries	\$ 1,453,552	\$ 30,975	\$ 35,871	\$ 1,520,398	\$ 215,082	\$ 761,115	\$ 976,197	\$ 2,496,595
Payroll Taxes	102,612	2,187	2,532	107,331	15,183	53,730	68,913	176,244
Benefits	203,469	4,336	5,021	212,826	29,894	106,541	136,435	349,261
Payroll and Related Expenditures	1,759,633	37,498	43,424	1,840,555	260,159	921,386	1,181,545	3,022,100
								-
Clothing and Food Distributed	11,704,705	-	-	11,704,705	-	-	-	11,704,705
Grants and Assistance	827,203	132,000	191,985	1,151,188	-	-	-	1,151,188
Food and Supplies	663,691	-	-	663,691	-	93,573	93,573	757,264
Program Supplies	39,846	-	-	39,846	-	73,329	73,329	113,175
Donated Services	91,274	-	-	91,274	-	-	-	91,274
Occupancy	262,950	2,705	2,878	268,533	8,708	31,363	40,071	308,604
Office Expenses	39,476	1,005	1,216	41,697	4,936	84,316	89,252	130,949
Insurance	-	-	-	-	77,498	-	77,498	77,498
Postage	4,112	102	1,454	5,668	364	12,684	13,048	18,716
Equipment Maintenance and Support	78,158	1,692	2,409	82,259	5,527	42,307	47,834	130,093
Computer Supplies and Software	11,132	276	427	11,835	986	3,387	4,373	16,208
Telephone	28,203	290	309	28,802	960	1,651	2,611	31,413
Vehicle Expense	22,610	-	-	22,610	-	-	-	22,610
Volunteers and Training	19,948	310	480	20,738	1,109	3,807	4,916	25,654
Audit	-	-	-	-	39,480	-	39,480	39,480
Communications	-	-	-	-	-	53,387	53,387	53,387
Consulting	334	111	223	668	778	779	1,557	2,225
Project Consulting	-	-	-	-	39,105	127,284	166,389	166,389
Other	5,939	147	228	6,314	749	64,089	64,838	71,152
Depreciation and Amortization	163,544	1,682	1,790	167,016	5,564	9,576	15,140	182,156
Total Expenses	15,722,758	177,818	246,823	16,147,399	445,923	1,522,918	1,968,841	18,116,240
Less: Direct Benefits to Donors								
Recorded on Statement of								
Activities and Changes in Net Assets	-	-	-	-	-	(157,744)	(157,744)	(157,744)
Total Functional Expenses	\$ 15,722,758	\$ 177,818	\$ 246,823	\$ 16,147,399	\$ 445,923	\$ 1,365,174	\$ 1,811,097	\$ 17,958,496

See accompanying Notes to Financial Statements.

PERSON-TO-PERSON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services				Supporting Services			Total Functional Expenses
	Critical Needs	Scholarships	Camperships	Total	Management and General	Fund Development	Total	
Salaries	\$ 1,348,836	\$ 21,478	\$ 27,074	\$ 1,397,388	\$ 211,454	\$ 603,390	\$ 814,844	\$ 2,212,232
Payroll Taxes	95,224	1,516	1,911	98,651	14,928	42,598	57,526	156,177
Benefits	193,477	3,081	3,884	200,442	30,291	86,550	116,841	317,283
Payroll and Related Expenditures	1,637,537	26,075	32,869	1,696,481	256,673	732,538	989,211	2,685,692
Clothing and Food Distributed	13,158,954	-	-	13,158,954	-	-	-	13,158,954
Grants and Assistance	769,054	201,616	176,529	1,147,199	-	-	-	1,147,199
Food and Supplies	604,458	-	-	604,458	-	74,081	74,081	678,539
Program Supplies	45,105	-	-	45,105	-	20,042	20,042	65,147
Donated Services	5,613	-	-	5,613	-	-	-	5,613
Occupancy	246,205	2,533	2,695	251,433	10,161	29,020	39,181	290,614
Office Expenses	36,850	736	914	38,500	4,720	67,969	72,689	111,189
Insurance	-	-	-	-	58,121	-	58,121	58,121
Postage	805	5	6	816	48	31,460	31,508	32,324
Equipment maintenance and Support	47,995	818	1,184	49,997	3,234	31,440	34,674	84,671
Computer Supplies and Software	14,513	260	456	15,229	1,278	4,392	5,670	20,899
Telephone	25,510	262	279	26,051	868	1,494	2,362	28,413
Vehicle Expense	42,469	-	-	42,469	-	-	-	42,469
Volunteers and Training	16,774	183	321	17,278	899	3,097	3,996	21,274
Audit	-	-	-	-	35,000	10,000	45,000	45,000
Communications	-	-	-	-	-	72,023	72,023	72,023
Consulting	28,084	2,006	4,012	34,102	-	36,478	36,478	70,580
Project Consulting	-	-	-	-	10,000	-	10,000	10,000
Other	7,272	130	228	7,630	978	46,915	47,893	55,523
Depreciation and Amortization	130,997	1,347	1,434	133,778	4,460	7,670	12,130	145,908
Total Expenses	16,818,195	235,971	220,927	17,275,093	386,440	1,168,619	1,555,059	18,830,152
Less: Direct Benefits to Donors Recorded on Statement of Activities and Changes in Net Assets	-	-	-	-	-	(107,098)	(107,098)	(107,098)
Total Functional Expenses	<u>\$ 16,818,195</u>	<u>\$ 235,971</u>	<u>\$ 220,927</u>	<u>\$ 17,275,093</u>	<u>\$ 386,440</u>	<u>\$ 1,061,521</u>	<u>\$ 1,447,961</u>	<u>\$ 18,723,054</u>

See accompanying Notes to Financial Statements.

PERSON-TO-PERSON, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 195,659	\$ 578,567
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:		
Realized and Unrealized Gains on Investments, Net	(383,569)	(359,022)
Depreciation and Amortization	182,156	145,908
Noncash Lease Expense	88,020	85,730
(Increase) Decrease in Assets:		
Government Grants Receivable	42,950	62,483
Contributions Receivable	(54,400)	35,167
Inventory	(83,020)	(65,194)
Prepaid Expenses and Other Receivables	23,745	(8,622)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(1,024)	55,379
Deferred Revenue	(67,709)	144,759
Agency Liabilities	5,872	(17,386)
Due to Saint Luke's Parish	-	(1,000)
Operating Lease Liabilities	(88,259)	(83,946)
Net Cash Provided (Used) by Operating Activities	<u>(139,579)</u>	<u>572,823</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	985,901	1,299,000
Purchase of Investments	(937,065)	(1,263,669)
Purchase of Property and Equipment	(243,873)	(178,374)
Net Cash Used by Investing Activities	<u>(195,037)</u>	<u>(143,043)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(334,616)	429,780
Cash and Cash Equivalents - Beginning of Year	<u>2,666,896</u>	<u>2,237,116</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 2,332,280</u></u>	<u><u>\$ 2,666,896</u></u>

See accompanying Notes to Financial Statements.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 ORGANIZATION AND NATURE OF ACTIVITIES

Organization

Person-to-Person, Inc. (Person-to-Person or the Organization), a nonprofit 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 234 children attended summer day camps in 2025 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 the 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. The program 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.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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 accounting principles generally accepted in the United States of America. 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. These assets represent resources that may be expended at the discretion of the board of directors.
- *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.

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.

Certain government and foundation grants and contracts are generally considered to be contributions rather than exchange transactions since there was no commensurate value transferred between the resource provider and the Organization. Promises to give that are subject to donor-imposed conditions (i.e., a donor stipulation that includes a barrier that must be overcome and a right of release from obligation), are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. Unconditional promises to give are recognized as revenue in the period received and recorded as assets. Grants and contracts amounted to \$2,307,335 and \$2,114,053 for the years ended June 30, 2025 and 2024, respectively, and are included in the statements of activities and change in net assets.

Conditional government grants and contracts not recognized in the financial statement as receivables or revenue as of June 30, 2025 and 2024 were \$77,050 and \$144,759 respectively. Government grants and contract are conditioned on incurring qualified program expenses.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Contributed nonfinancial assets: In-kind contributions are measured at the fair value of the assets transferred to Person-to-Person, Inc., or the liabilities cancelled or settled.

Donated services: 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 nonfinancial assets or require specialized skills that would typically be purchased if not donated.

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 credit losses as of June 30, 2025 and 2024.

All accounts or portions thereof deemed uncollectible are written off. Management believes that the composition of receivables at year end is consistent with historical conditions as practices of the customer base have not changed significantly. Future conditions also do not show significant changes expected to impact collectability.

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.

Investments

Generally accepted accounting principles establish a framework for measuring fair value. The framework establishes a hierarchal framework for measuring fair value that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The fair value hierarchy is organized into three levels, as follows:

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

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

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

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 Organization values all of its investments using Level 1 and Level 2 inputs. 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 \$1,000 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:

	<u>Years</u>
Leasehold Improvements	5 to 20
Equipment and Furnishings	3 to 15
Vehicles	5 to 7

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)3 of the Internal Revenue Code and has been classified as a public charity.

The Organization evaluates all significant tax positions as required by accounting principles generally accepted in the United States of America. As of June 30, 2025, 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 and 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. The Organization maintains its cash and cash equivalents in bank deposit accounts that, at times, may exceed federally insured limits. Management believes that the Organization's deposits are not subject to significant credit risk.

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.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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:

	2025	2024
Cash and Cash Equivalents	\$ 2,332,280	\$ 2,666,896
Investments	4,904,154	4,569,421
Government Grants Receivable	-	42,950
Contributions Receivable	60,900	6,500
Subtotal Financial Assets at Year-End	<u>7,297,334</u>	<u>7,285,767</u>
Less: Amounts with Limits on Usage		
Net Assets with Donor Restrictions	(4,551,217)	(4,514,668)
Approved Appropriation of Endowment Assets for General Expenditure for the Following Fiscal Year	<u>150,000</u>	<u>150,000</u>
Total Financial Assets Available for General Use Within One Year	<u><u>\$ 2,896,117</u></u>	<u><u>\$ 2,921,099</u></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, 2025 AND 2024

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2025	2024
Equipment and Software	\$ 376,123	\$ 330,294
Furniture and Fixtures	169,114	154,870
Leasehold Improvements	1,119,031	1,092,463
Vehicles	594,773	481,254
Total	2,259,041	2,058,881
Less: Accumulated Depreciation and Amortization	(1,583,927)	(1,445,484)
Total Property and Equipment, Net	<u>\$ 675,114</u>	<u>\$ 613,397</u>

Depreciation and amortization expense was \$182,156 and \$145,908 for the years ended June 30, 2025 and 2024, respectively.

NOTE 5 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:

June 30, 2025	Level 1	Level 2	Total
Equity Funds	\$ -	\$ 3,506,411	\$ 3,506,411
Fixed Income Funds	1,397,743	-	1,397,743
Total Investments, at Fair Value	<u>\$ 1,397,743</u>	<u>\$ 3,506,411</u>	<u>\$ 4,904,154</u>
June 30, 2024	Level 1	Level 2	Total
Equity Funds	\$ -	\$ 3,118,738	\$ 3,118,738
Fixed Income Funds	1,450,683	-	1,450,683
Total Investments, at Fair Value	<u>\$ 1,450,683</u>	<u>\$ 3,118,738</u>	<u>\$ 4,569,421</u>

There were no transfers between levels of investments during the year ended June 30, 2025.

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

	2025	2024
Interest and Dividend Income	\$ 157,269	\$ 163,027
Realized and Unrealized Gains	383,569	359,022
Investment Fees	(3,658)	(4,971)
Total Investment Gains (Losses)	<u>\$ 537,180</u>	<u>\$ 517,078</u>

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 5 INVESTMENTS (CONTINUED)

Investments are managed in accordance with board-approved policies and consist of investments in the Janet Evans Endowment Fund and operating reserves. The policies, which also permit a portion of the Janet Evans Endowment Fund (see Note 7) 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 6 RESTRICTIONS AND DESIGNATIONS OF NET ASSETS

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

	2025	2024
Janet Evans Endowment Fund	\$ 3,573,703	\$ 3,326,811
Future Fund	442,472	647,742
Critical Needs Programs	208,214	244,519
Campership	200,602	159,607
Holiday Toy Store	39,442	29,299
Equipment	36,784	65,138
Capital Campaign	28,036	28,036
Other Programs and Projects	10,137	7,208
Scholarship Programs	7,906	-
Professional Development	2,602	1,380
Food Programs	1,319	1,319
Dove Program	-	3,609
Total Net Assets with Donor Restrictions	<u>\$ 4,551,217</u>	<u>\$ 4,514,668</u>

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

	2025	2024
Janet Evans Endowment Fund Appropriations	\$ 150,000	\$ 159,000
Critical Needs Programs	320,088	194,060
Future Fund	315,270	81,170
Food Programs	303,457	289,976
Camperships Programs	150,781	143,256
Equipment	82,254	67,635
Dove Program	64,767	71,550
Scholarship Programs	37,363	74,952
Holiday Toy Store	28,348	11,210
Other Programs and Projects	17,071	26,936
Professional Development	13,778	10,789
Total Net Assets Released from Restrictions	<u>\$ 1,483,177</u>	<u>\$ 1,130,534</u>

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 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 and 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.

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.

Changes in endowment net assets during the years ended June 30 are as follows:

	With Donor Restrictions
Net Assets, July 1, 2023	\$ 3,113,612
Investment Income	17,963
Net Asset Appreciation	359,057
Investment Fees	(4,821)
Appropriation of Endowment Assets for Expenditure	<u>(159,000)</u>
Net Assets, June 30, 2024	3,326,811
Investment Income	7,108
Net Asset Appreciation	393,142
Investment Fees	(3,358)
Appropriation of Endowment Assets for Expenditure	<u>(150,000)</u>
Net Assets, June 30, 2025	<u><u>\$ 3,573,703</u></u>

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 JANET EVANS ENDOWMENT FUND (CONTINUED)

Interpretation of Relevant Law

The Organization's Board of Directors has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act (CTUPMIFA) as requiring 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. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in perpetuity 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 CTUPMIFA. In accordance with CTUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

Return Objectives and Risk Parameters

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.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation to achieve its primary long-term objective of preservation of capital.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 JANET EVANS ENDOWMENT FUND (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

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.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the historic dollar value as referenced in CTUPMIFA. In accordance with GAAP, deficiencies of this nature are 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.

NOTE 8 CONTRIBUTED NONFINANCIAL ASSETS

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

	2025	2024
Clothing, Food, and Supplies	\$ 11,787,725	\$ 13,224,148
Professional Services	44,612	4,200
Facilities	46,662	1,413
Total Contributed Nonfinancial Assets	<u>\$ 11,878,999</u>	<u>\$ 13,229,761</u>

During 2025 and 2024, Person-to-Person recognized donated clothing, food, and supplies of \$11,787,725 and \$13,224,148, 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, Feeding America and other available data. From time to time, management reviews Person-to-Person's valuation methodology for food and clothing items. Such review was conducted in 2025 based upon data published by a survey conducted by Feeding America that determined the average wholesale value of products donated and the donation value guide published by The Salvation Army. The weight of the typical bag of groceries received is ten pounds. Food contributions for 2025 and 2024 have been reported based upon these benchmarks.

Professional services recognized comprised 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.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 8 CONTRIBUTED NONFINANCIAL ASSETS (CONTINUED)

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.

There are no donor restrictions associated with the contributed nonfinancial assets.

The Organization received the services of approximately 1,900 and 3,000, individual volunteers for the years ended June 30, 2025 and 2024, 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 30,000 and 32,000 hours of service for the years ended June 30, 2025 and 2024, 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 \$1,139,719 and \$1,091,741 for the years ended June 30, 2025 and 2024, respectively (based on the Independent Sector valuation of Connecticut volunteer time at an hourly rate of \$38.43 and \$33.49 for the years ended June 30, 2025 and 2024, respectively).

NOTE 9 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 \$30,829 and \$36,390 for the years ended June 30, 2025 and 2024, respectively.

NOTE 10 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.

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10 RELATED PARTY TRANSACTIONS (CONTINUED)

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 no amounts payable to St. Luke's at June 30, 2025 and 2024 for expenses paid for by St. Luke's. St. Luke's donated \$17,975 and \$18,795 to the Organization as part of the annual outreach program of the church for the years ended June 30, 2025 and 2024, respectively.

NOTE 11 LEASE COMMITMENTS – ASC 842

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 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.

The following table provides quantitative information concerning the Organization's leases as of June 30, 2025 and 2024:

Lease Costs:		
Operating Lease Costs	<u>\$ 93,782</u>	<u>\$ 93,782</u>
Other Information:		
Operating Cash Flows from Operating Leases	\$ 94,021	\$ 91,998
Weighted Average Remaining Lease Term -		
Operating Leases	1.9 Years	2.8 Years
Weighted Average Discount Rate - Operating Leases	2.90%	2.90%

PERSON-TO-PERSON, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 11 LEASE COMMITMENTS – ASC 842 (CONTINUED)

The following maturity analysis table displays the undiscounted cash flows and interest impact related to the Organization's leases including the lease extension as of June 30, 2025:

2026	\$ 96,089
2027	44,132
2028	<u>23,215</u>
Total Lease Payments	163,436
Less: Imputed Interest	<u>4,493</u>
Present Value of Lease Liabilities	<u>\$ 158,943</u>
Short-Term Lease Liabilities	\$ 92,942
Long-Term Lease Liabilities	<u>66,001</u>
Total Lease Liabilities	<u>\$ 158,943</u>

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 June 30, 2025 and 2024, the Organization's uninsured cash and cash equivalents balance totaled \$1,888,240 and \$2,298,634 , respectively. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 13 SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 13, 2025, the date the financial statements were available to be issued.

