

**STEPPING STONE EMERGENCY
HOUSING, INC.**
AUDITED FINANCIAL STATEMENTS
December 31, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Stepping Stone Emergency Housing, Inc.
Anoka, Minnesota

We have audited the accompanying financial statements of Stepping Stone Emergency Housing, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stepping Stone Emergency Housing, Inc. as of December 31, 2019 and 2018, 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.

Hamington Langer & Associates

May 13, 2020

STEPPING STONE EMERGENCY HOUSING, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 280,761	\$ 177,347
Contracts receivable	85,835	73,123
Prepaid expenses	6,860	6,166
TOTAL CURRENT ASSETS	373,456	256,636
PROPERTY AND EQUIPMENT, at cost		
Building	148,278	148,278
Leasehold improvements	115,364	99,755
Equipment	133,877	133,877
	397,519	381,910
Less: accumulated depreciation	(115,373)	(86,325)
TOTAL PROPERTY AND EQUIPMENT, net	282,146	295,585
TOTAL ASSETS	\$ 655,602	\$ 552,221

	<u>2019</u>	<u>2018</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 8,823	\$ 18,724
Accrued expenses	<u>37,546</u>	<u>34,026</u>
TOTAL LIABILITIES	<u>46,369</u>	<u>52,750</u>
NET ASSETS		
Net assets without donor restrictions	609,233	489,585
Net assets with donor restrictions	<u>-</u>	<u>9,886</u>
TOTAL NET ASSETS	<u>609,233</u>	<u>499,471</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 655,602</u></u>	<u><u>\$ 552,221</u></u>

STEPPING STONE EMERGENCY HOUSING, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

(With Comparative Totals for 2018)

	Without Donor Restrictions	With Donor Restrictions	Total 2019	Total 2018
REVENUE AND SUPPORT				
Contributions	\$ 249,910	\$ -	\$ 249,910	\$ 282,772
Government contracts	130,128	-	130,128	126,336
Program service fees	958,523	-	958,523	789,731
Investment income	2,083	-	2,083	465
In-kind donations	140,800	-	140,800	292,043
Rental income	21,000	-	21,000	7,440
Vending income, net of expenses of \$2,596 and \$2,623, respectively	5,501	-	5,501	4,109
Event income, net of expenses of \$30,250 and \$37,378, respectively	79,164	-	79,164	37,865
Other income	130	-	130	-
Net assets released from restrictions	9,886	(9,886)	-	-
	1,597,125	(9,886)	1,587,239	1,540,761
TOTAL REVENUE AND SUPPORT				
EXPENSES				
Program services				
Long Term Housing	86,496	-	86,496	5,302
Shelter	1,090,028	-	1,090,028	1,089,788
Stepping Home	17,101	-	17,101	9,449
	1,193,625	-	1,193,625	1,104,539
Total program services				
Management and general	198,199	-	198,199	206,270
Fundraising	85,653	-	85,653	84,384
	1,477,477	-	1,477,477	1,395,193
TOTAL EXPENSES				
CHANGE IN NET ASSETS	119,648	(9,886)	109,762	145,568
NET ASSETS, BEGINNING OF YEAR	489,585	9,886	499,471	353,903
NET ASSETS, END OF YEAR	\$ 609,233	\$ -	\$ 609,233	\$ 499,471

STEPPING STONE EMERGENCY HOUSING, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	\$ 272,886	\$ 9,886	\$ 282,772
Government grants	126,336	-	126,336
Program service fees	789,731	-	789,731
Investment income	465	-	465
In-kind donations	292,043	-	292,043
Rental income	7,440	-	7,440
Vending income, net of expenses of \$2,623	4,109	-	4,109
Event income, net of expenses of \$37,378	37,865	-	37,865
Net assets released from restrictions	-	-	-
TOTAL REVENUE AND SUPPORT	1,530,875	9,886	1,540,761
EXPENSES			
Program services			
Long Term Housing	5,302	-	5,302
Shelter	1,089,788	-	1,089,788
Stepping Home	9,449	-	9,449
Total program services	1,104,539		1,104,539
Management and general	206,270	-	206,270
Fundraising	84,384	-	84,384
TOTAL EXPENSES	1,395,193	-	1,395,193
CHANGE IN NET ASSETS	135,682	9,886	145,568
NET ASSETS, BEGINNING OF YEAR	353,903	-	353,903
NET ASSETS, END OF YEAR	\$ 489,585	\$ 9,886	\$ 499,471

STEPPING STONE EMERGENCY HOUSING, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 109,762	\$ 145,568
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	29,048	26,649
Donated fixed assets	-	(148,278)
Decrease (increase) in:		
Contracts receivable	(12,712)	(7,390)
Prepaid expenses	(694)	1,023
Increase (decrease) in:		
Accounts payable	(9,901)	3,714
Accrued expenses	3,520	4,493
	119,023	25,779
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(15,609)	(33,600)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	103,414	(7,821)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	177,347	185,168
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 280,761	\$ 177,347
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Acquisition of property and equipment		
Cost of property and equipment	\$ 15,609	\$ 181,878
Amount donated	-	(148,278)
Cash paid for property and equipment	\$ 15,609	\$ 33,600

STEPPING STONE EMERGENCY HOUSING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2019
(With Comparative Totals for 2018)

	Program Services			Total	Management and General	Fund- raising	Total 2019	Total 2018
	Long Term Housing	Shelter	Stepping Home					
Salaries	\$ 22,580	\$ 585,466	\$ -	\$ 608,046	\$ 142,983	\$ 51,464	\$ 802,493	\$ 802,717
Payroll taxes	1,699	49,689	-	51,388	10,938	3,539	65,865	73,243
Employee benefits	128	90,745	-	90,873	21,021	6,086	117,980	80,726
Total Payroll Expenses	24,407	725,900	-	750,307	174,942	61,089	986,338	956,686
Professional fees	-	-	-	-	8,836	750	9,586	19,377
Contract services	-	75,237	-	75,237	8,360	1,410	85,007	74,788
Supplies	45,372	8,882	3,668	57,922	-	3,304	61,226	17,710
Telephone	-	10,397	-	10,397	904	-	11,301	11,389
Postage	-	773	-	773	773	767	2,313	2,857
Occupancy	625	43,707	4,172	48,504	3,801	25,103	77,408	76,855
Equipment	38	12,289	-	12,327	-	-	12,327	14,971
Repairs and maintenance	-	6,600	2,411	9,011	-	-	9,011	14,488
Dues and subscriptions	-	12,390	190	12,580	-	759	13,339	11,691
Food expenses	-	129,389	-	129,389	-	-	129,389	139,044
Client expenses	15,017	13,699	-	28,716	-	1,092	29,808	12,639
Insurance	-	7,512	2,280	9,792	-	-	9,792	8,982
Travel	862	7,000	-	7,862	-	14	7,876	3,244
Meetings	-	1,721	-	1,721	-	211	1,932	3,762
Staff development	-	8,912	-	8,912	-	72	8,984	3,835
Fundraising	-	-	-	-	-	3,153	3,153	10,097
Printing	-	948	-	948	-	4,959	5,907	4,660
Miscellaneous	175	3,183	-	3,358	-	13,220	16,578	21,470
Depreciation	-	24,085	4,380	28,465	583	-	29,048	26,649
Total Expenses by Function	86,496	1,092,624	17,101	1,196,221	198,199	115,903	1,510,323	1,435,194
Less Expenses included with revenues on the statement of activities								
Vending expenses	-	(2,596)	-	(2,596)	-	-	(2,596)	(2,623)
Special events	-	-	-	-	-	(30,250)	(30,250)	(37,378)
Total expenses included in expense section on the statement of activities	\$ 86,496	\$ 1,090,028	\$ 17,101	\$ 1,193,625	\$ 198,199	\$ 85,653	\$ 1,477,477	\$ 1,395,193

STEPPING STONE EMERGENCY HOUSING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2018

	Program Services				Management and General	Fund- raising	Total
	Long Term Housing	Shelter	Stepping Home	Total			
Salaries	\$ -	\$ 607,541	\$ -	\$ 607,541	\$ 145,724	\$ 49,452	\$ 802,717
Payroll taxes	-	58,312	-	58,312	11,148	3,783	73,243
Employee benefits	-	61,098	-	61,098	14,655	4,973	80,726
Total Payroll Expenses	-	726,951	-	726,951	171,527	58,208	956,686
Professional fees	-	-	-	-	19,377	-	19,377
Contract services	-	63,120	450	63,570	7,479	3,739	74,788
Supplies	2,017	15,517	-	17,534	-	176	17,710
Telephone	212	9,583	-	9,795	911	683	11,389
Postage	3	1,426	-	1,429	1,428	-	2,857
Occupancy	1,191	47,743	2,539	51,473	4,788	20,594	76,855
Equipment	243	10,679	4,049	14,971	-	-	14,971
Repairs and maintenance	325	14,163	-	14,488	-	-	14,488
Dues and subscriptions	285	11,406	-	11,691	-	-	11,691
Food expenses	550	128,565	-	129,115	-	9,929	139,044
Client expenses	429	12,210	-	12,639	-	-	12,639
Insurance	-	8,982	-	8,982	-	-	8,982
Travel	47	3,197	-	3,244	-	-	3,244
Meetings	-	3,762	-	3,762	-	-	3,762
Staff development	-	3,835	-	3,835	-	-	3,835
Fundraising	-	-	-	-	-	10,097	10,097
Printing	-	-	-	-	-	4,660	4,660
Miscellaneous	-	7,794	-	7,794	-	13,676	21,470
Depreciation	-	23,478	2,411	25,889	760	-	26,649
Total Expenses by Function	5,302	1,092,411	9,449	1,107,162	206,270	121,762	1,435,194
Less Expenses included with revenues on the statement of activities							
Vending expenses	-	(2,623)	-	(2,623)	-	-	(2,623)
Special events	-	-	-	-	-	(37,378)	(37,378)
Total expenses included in expense section on the statement of activities	<u>\$ 5,302</u>	<u>\$1,089,788</u>	<u>\$ 9,449</u>	<u>\$ 1,104,539</u>	<u>\$ 206,270</u>	<u>\$ 84,384</u>	<u>\$ 1,395,193</u>

STEPPING STONE EMERGENCY HOUSING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

Stepping Stone Emergency Housing, Inc. (SSEH, the Organization) provides emergency housing and support services to adults experiencing homelessness in Anoka County, Minnesota. SSEH accommodates up to 60 adults assisting with short-term housing, job and life skills, educational courses, and support in finding a place to live once they have graduated.

The Organization's programs are as following:

Long Term Housing: This is a community based housing program that provide case management to up to 16 former Stepping Stone residents who have a diagnosed disability.

Shelter: This program provides emergency housing and critical support services to up to 66 single adults 18 and over who are experiencing homelessness.

Stepping Home: This is another community based housing program, but three female residents of Stepping Stone in a home in Blaine, owned by Stepping Stone.

Basis of presentation:

The financial statements of SSEH have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities.

STEPPING STONE EMERGENCY HOUSING, INC.
NOTES TO FINANCIAL STATEMENTS

**NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Functional Expenses:

The costs of providing various programs have been summarized on a functional basis. Accordingly, certain costs have been allocated among programs and supporting services benefited. Salaries and related expenses are allocated based on job descriptions and the best estimates of management. Expenses, other than salaries and related expenses, which are not directly identifiable by program or support services, are allocated based on the best estimates of management.

Revenue Recognition:

The Organization recognizes revenue from government contracts and program service fees when the services are provided. Special event revenue is recognized equal to the cost of direct benefit to donors, and contribution revenue for the difference. Vending income is earned when the products are transferred.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Cash and Cash Equivalents:

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

STEPPING STONE EMERGENCY HOUSING, INC.
NOTES TO FINANCIAL STATEMENTS

**NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Contracts Receivable and Promises to Give:

Bad debts are recorded on the allowance method based on historical experience and management's evaluation of outstanding contracts receivable and promises to give. At December 31, 2019 and 2018, management considered all outstanding amounts to be fully collectible. Accordingly, there was no allowance for uncollectible promises. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. At December 31, 2019 the Organization had a conditional promise to give of \$5,000 conditioned on raising matching funds. This condition was met in 2020.

Income Taxes:

The Organization operates as a charitable organization, exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar Minnesota statutes.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) for uncertain position that more likely than not would not be sustained upon examination by the applicable tax authorities. Federal and state tax authorities generally have the right to examine the current and three previous years of income tax returns. The Organization is not currently under examination by any taxing jurisdiction.

Property and Equipment:

All major expenditures for land, building and equipment greater than \$1,000 are capitalized at cost.

Depreciation is computed using the straight-line method based on the estimated useful lives of the assets as follows:

Building	39 years
Leasehold improvements	5 to 37 years
Equipment	5 to 10 years

Accrued Vacation and Personal Leave:

The Organization follows the practice of accruing vacation pay in the period in which the employee earns such vacation. Personal leave is paid to employees and is expensed as incurred.

STEPPING STONE EMERGENCY HOUSING, INC.
NOTES TO FINANCIAL STATEMENTS

**NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued)**

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 and disclosures in these financial statements. Actual results could differ from those estimates.

Advertising:

Advertising costs are charged to expense as incurred. Advertising expense amounted to \$77 and \$0 for the years ended December 31, 2019 and 2018, respectively.

Reclassifications:

Certain prior year amounts have been reclassified to conform with the current year presentation. These reclassifications had no effect on previously reported net assets.

Subsequent Events:

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 13, 2020, the date the financial statements were available to be issued.

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world in the first quarter of 2020 has caused significant volatility in the U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Organization is unable to determine if it will have a material impact to its operations.

Subsequent to year end, the Organization applied for and was approved a \$191,757 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.

STEPPING STONE EMERGENCY HOUSING, INC.
NOTES TO FINANCIAL STATEMENTS

**NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Change in Accounting Principles:

FASB Accounting Standards Codification Topic 606, Revenue from Contracts with Customers, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. We have implemented Topic 606 and have adjusted the presentation in these financial statements accordingly. These amendments have been applied retrospectively to all periods presented, with no effect on net assets.

FASB issued ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. We have implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with our implementation of ASU 2018-08.

NOTE 2. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances at various financial institutions located in the Twin Cities area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 as of December 31, 2019 and 2018. At December 31, 2019 and 2018, the Organization had uninsured cash balances of \$34,588 and \$0, respectively.

NOTE 3. MAJOR SOURCES OF SUPPORT AND REVENUE

During the years ended December 31, 2019 and 2018, the Organization received 61% and 51%, respectively, of total revenue from the state of Minnesota.

STEPPING STONE EMERGENCY HOUSING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 4. IN-KIND CONTRIBUTIONS

In-kind contributions are recognized for donated services that require specialized skills or items that improve or enhance property and equipment. During the years ended December 31, 2019 and 2018, the Organization received the following in-kind contributions:

	2019	2018
Food and meals	\$ 94,000	\$ 94,000
Medical services	46,800	46,800
House	-	148,278
Supplies	-	2,965
	\$ 140,800	\$ 292,043

NOTE 5. OPERATING LEASE COMMITMENTS

The Organization leases office facilities under annually renewing leases with Anoka County. Rent and occupancy expenses charged to operations for the above leases amounted to \$36,980 and \$33,101 for the years ended December 31, 2019 and 2018, respectively. Under the above leasing arrangement, the Organization has future lease commitments through June 30, 2020 of \$15,900.

The Organization leases office equipment under various non-cancelable leases, which expire through May 2021. Future commitments under these leases as of December 31, 2019 are as follows:

Year Ending December 31,	Amount
2020	\$ 3,066
2021	1,278
	\$ 4,344

NOTE 6. BORROWING ARRANGEMENTS

The Organization maintains credit card accounts of which they can borrow up to \$10,000 and \$12,000 as of December 31, 2019 and 2018, respectively. Advances on these cards accrue interest at rates of 11.00% as of December 31, 2019 and 2018, respectively. As of December 31, 2019 and 2018, there were outstanding advances of \$5,293, and \$4,638, respectively, that were included in the accounts payable balance.

STEPPING STONE EMERGENCY HOUSING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 7. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available to general expenditure within one year of December 31, 2019 and 2018:

	2019	2018
Financial assets at year-end		
Cash and cash equivalents	\$ 280,761	\$ 177,347
Contracts receivable	85,835	73,123
Total financial assets	366,596	250,470
Less amounts not available to be used within one year		
Net assets with donor restrictions	-	9,886
Less net assets with restrictions to be met in less than one year	-	(9,886)
Financial assets available to meet general expenditures within one year	\$ 366,596	\$ 250,470

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses.

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2019 and 2018, net assets with donor restrictions consisted of the following:

	2019	2018
Employment services	\$ -	\$ 4,886
Shelter services	-	5,000
	\$ -	\$ 9,886

STEPPING STONE EMERGENCY HOUSING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or the occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Employment services	\$ 4,886	\$ -
Shelter services	<u>5,000</u>	<u>-</u>
	<u>\$ 9,886</u>	<u>\$ -</u>