THE MISSION CONTINUES

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2019

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Independent Auditor's Report

Board of Directors
The Mission Continues
St. Louis, Missouri

We have audited the accompanying financial statements of The Mission Continues ("TMC"), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to TMC'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 TMC'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 The Mission Continues 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.

Emphasis of Matter

As discussed in Note B to the financial statements, in January 2020, the World Health Organization has declared COVID 19 to constitute a “Public Health Emergency of International Concern.” Given the uncertainty of the situation, the duration of any business disruption and related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Brown Smith Wallace, LLP

St. Louis, Missouri
April 24, 2020

THE MISSION CONTINUES

Statements of Financial Position

December 31, 2019 and 2018

		2019		2018
ASSETS				
Cash and cash equivalents	**$**	**1,980,866**	$	6,518,507
Certificates of deposit		**560,809**		549,069
Investments, at fair value		**3,100,208**		3,006,022
Promises to give, net		**2,360,166**		2,820,867
Other assets		**118,901**		277,508
Property and equipment, net		**48,011**		94,999
TOTAL ASSETS	**$**	**8,168,961**	$	13,266,972
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	**$**	**170,322**	$	224,664
Accrued expenses		**241,552**		111,927
Deferred revenue		**35,200**		-
Total Liabilities		**447,074**		336,591
Net Assets				
Without donor restrictions		**1,903,316**		5,780,910
With donor restrictions		**5,818,571**		7,149,471
Total Net Assets		**7,721,887**		12,930,381
TOTAL LIABILITIES AND NET ASSETS	**$**	**8,168,961**	$	13,266,972

The accompanying notes are an integral part of these financial statements.

THE MISSION CONTINUES

Statement of Activities
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Public support	$ 1,612,984	$ 6,023,142	$ 7,636,126
Special event revenue, net of $29,024 direct expenses	59,713	-	59,713
Other in-kind goods and services	39,915	-	39,915
Other income	242,064	-	242,064
Net assets released from restrictions	7,354,042	(7,354,042)	-
Total revenues and support	9,308,718	(1,330,900)	7,977,818
Expenses			
Program services	9,632,234	-	9,632,234
Fundraising	1,503,264	-	1,503,264
Administrative & general operations	2,050,814	-	2,050,814
Total expenses	13,186,312	-	13,186,312
CHANGE IN NET ASSETS	(3,877,594)	(1,330,900)	(5,208,494)
Net assets at beginning of year	5,780,910	7,149,471	12,930,381
Net assets at end of year	$ 1,903,316	$ 5,818,571	$ 7,721,887

The accompanying notes are an integral part of these financial statements.

THE MISSION CONTINUES

Statement of Activities
Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Public support	$ 4,408,473	$ 9,344,754	$ 13,753,227
Special event revenue, net of $34,955 direct expenses	113,241	10,000	123,241
Other in-kind goods and services	-	776,355	776,355
Other income	62,968	-	62,968
Net assets released from restrictions	7,067,805	(7,067,805)	-
Total revenues and support	11,652,487	3,063,304	14,715,791
Expenses			
Program services	9,560,661	-	9,560,661
Fundraising	1,239,528	-	1,239,528
Administrative & general operations	2,469,795	-	2,469,795
Total expenses	13,269,984	-	13,269,984
CHANGE IN NET ASSETS	(1,617,497)	3,063,304	1,445,807
Net assets at beginning of year	7,398,407	4,086,167	11,484,574
Net assets at end of year	$ 5,780,910	$ 7,149,471	$ 12,930,381

The accompanying notes are an integral part of these financial statements.

THE MISSION CONTINUES

Statement of Functional Expenses

Year Ended December 31, 2019

	Program Services						Support Services		
	Service Leadership Corps	Service Platoon Program	Mass Deployment	Program Support	Women's Program	Total Program	Fundraising	Administrative & General Operations	Total
Platoon Leader Awards and Grants	$ 100,000	$ 354,000	$ -	$ -	$ -	$ 454,000	$ -	$ -	$ 454,000
Salaries	469,449	3,238,718	228,439	858,507	117,150	4,912,263	1,014,477	473,471	6,400,211
Payroll Taxes	38,272	250,326	17,256	65,447	9,032	380,333	69,361	51,210	500,904
Employee Benefits	39,319	418,786	31,351	91,010	8,843	589,309	99,333	57,895	746,537
Contract Services	69,178	119,513	61,691	118,544	15,000	383,926	186,259	272,129	842,314
Awareness & Messaging	19,628	126,143	27,425	17,431	7,224	197,851	-	-	197,851
Project Grants and supplies	17,336	681,590	156,939		11,555	867,420	-	38	867,458
Events and Travel	409,589	410,456	212,404	40,192	126,572	1,199,213	42,961	142,674	1,384,848
Technology	41,417	188,536	4,389	171,565	35	405,942	29,780	249,012	684,734
Volunteer Recognition and Staff Recognition	16,181	73,315	2,266	10,572	1,703	104,037	5,890	289,872	399,799
Depreciation	1,229	15,169	-	-	-	16,398	-	30,590	46,988
Insurance	1,846	-	-	-	-	1,846	23,576	45,920	71,342
Banking/Online Processing Fees	992	66	-	-	-	1,058	9,997	24,673	35,728
Office/Supplies	1,671	10,686	2,105	2,062	-	16,524	154	27,759	44,437
Postage, Mailing	1,881	5,095	13	641	1,201	8,831	2,172	22,593	33,596
Printing and Copying	898	13,280	877	279	2,485	17,819	19,304	14,299	51,422
Rent	14,013	61,451	-	-	-	75,464	-	348,679	424,143
Expenses per statement of activities	1,242,899	5,967,130	745,155	1,376,250	300,800	9,632,234	1,503,264	2,050,814	13,186,312
Special event expense	-	-	-	-	-	-	29,024	-	29,024
Total expenses	$ 1,242,899	$ 5,967,130	$ 745,155	$ 1,376,250	$ 300,800	$ 9,632,234	$ 1,532,288	$ 2,050,814	$ 13,215,336

The accompanying notes are an integral part of these financial statements.

THE MISSION CONTINUES

Statement of Functional Expenses
Year Ended December 31, 2018

	Program Services							Support Services		
	Fellowship	Service Leadership Corps	Service Platoon Program	Mass Deployment	Program Support	Women's Program	Total Program	Fundraising	Administrative & General Operations	Total
Platoon Leader Awards and Grants	$ -	$ -	$ 305,200	$ -	$ -	$ -	$ 305,200	$ -	$ -	$ 305,200
Fellowship Awards	814,135	-	-	-	-	-	814,135	-	-	814,135
Salaries	188,887	182,162	2,439,524	157,576	1,226,325	45,934	4,240,408	904,299	548,443	5,693,150
Payroll Taxes	16,245	15,122	198,474	12,898	94,636	3,875	341,250	67,276	68,598	477,124
Employee Benefits	24,166	8,758	284,343	19,813	122,782	4,759	464,621	80,252	99,132	644,005
Contract Services	9,840	53,768	129,120	61,378	23,564	18,658	296,328	89,939	500,928	887,195
Contributed Legal Services	-	-	-	-	84,000	-	84,000	-	625,687	709,687
Awareness & Messaging	16,638	12,532	190,956	26,148	11,484	5,165	262,923	41	377	263,341
Project Grants and Supplies	7,646	9,338	578,064	133,536	8,680	5,591	742,855	16	615	743,486
Events and Travel	177,751	180,450	592,431	172,061	40,447	89,572	1,252,712	24,511	93,750	1,370,973
Technology	9,180	17,525	165,473	210	64,596	135	257,119	39,588	268,369	565,076
Volunteer Recognition and Staff Recognition	37	4,115	46,683	3,827	12,972	186	67,820	7,426	47,082	122,328
Depreciation	-	-	36,449	-	-	-	36,449	-	30,046	66,495
Insurance	-	-	5,681	-	-	-	5,681	1,215	21,560	28,456
Banking/Online Processing Fees	-	-	-	-	-	-	-	13,067	16,020	29,087
Office/Supplies	129	647	17,060	380	939	16	19,171	52	30,325	49,548
Postage, Mailing	501	498	4,784	65	1,105	128	7,081	3,129	9,893	20,103
Printing and Copying	1,529	1,400	16,599	2,187	3,023	961	25,699	8,717	15,889	50,305
Rent	-	-	336,115	-	1,094	-	337,209	-	59,401	396,610
Bad Debt Expense	-	-	-	-	-	-	-	-	33,680	33,680
Expenses per statement of activities	1,266,684	486,315	5,346,956	590,079	1,695,647	174,980	9,560,661	1,239,528	2,469,795	13,269,984
Special event expense	-	-	-	-	-	-	-	34,955	-	34,955
Total expenses	$ 1,266,684	$ 486,315	$ 5,346,956	$ 590,079	$ 1,695,647	$ 174,980	$ 9,560,661	$ 1,274,483	$ 2,469,795	$ 13,304,939

The accompanying notes are an integral part of these financial statements.

THE MISSION CONTINUES

Statements of Cash Flows
Years Ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	**$ (5,208,494)**	$ 1,445,807
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Provision for bad debt expense	**-**	33,680
In-kind donations, net	**189,505**	28,100
Unrealized (gain) loss on investments	**(43,362)**	4,680
Depreciation	**46,988**	66,495
Change in discount on long-term pledges	**(58,779)**	76,231
(Increase) decrease in operating assets:		
Promises to give	**519,480**	(2,680,778)
Other assets	**(30,898)**	23,135
Increase (decrease) in operating liabilities:		
Accounts payable	**(54,342)**	(45,527)
Accrued expenses	**129,625**	(90,372)
Deferred revenue	**35,200**	-
Net cash used in operating activities	**(4,475,077)**	(1,138,549)
Cash flows from investing activities:		
Purchase of certificates of deposit	**(511,740)**	(544,612)
Maturities of certificates of deposit	**500,000**	537,602
Purchase of investments	**(2,871,739)**	(557,480)
Sale of investments	**2,820,915**	513,116
Net cash used in investing activities	**(62,564)**	(51,374)
DECREASE IN CASH AND CASH EQUIVALENTS	**(4,537,641)**	(1,189,923)
Cash and cash equivalents, beginning of year	**6,518,507**	7,708,430
Cash and cash equivalents, end of year	**$ 1,980,866**	$ 6,518,507

The accompanying notes are an integral part of these financial statements.

Note A - Nature of Activities

The Mission Continues ("TMC" or the "Organization") is a 501(c)(3) not-for-profit organization established in 2007, headquartered in St. Louis, Missouri with offices in New York, New York, Houston, Texas, Los Angeles, California, and Washington, D.C.

The Mission Continues' mission is to connect veterans with under-resourced communities, empowering veterans to continue their service while empowering communities with the talent, skills, and preparedness of veterans to generate visible impact. TMC carries out this mission through a number of programs, described below:

The Service Leadership Corps (SLC) empowers veterans of all generations across the country to be community-based leaders of social change. SLC participants join a national movement of like-minded veterans who are committed to applying their leadership skills and experience in under-resourced communities to be a force for positive and lasting impact. Throughout the course of an innovative six-month program, SLC participants learn to problem solve some of our nation's toughest challenges on a local level by partnering with community organizations. The SLC employs a cohort model to provide opportunities for veteran connection and personal growth with an increased focus on outcomes and learning objectives developed specifically for veterans. This program represents an evolution and enhancement of the Fellowship Program which was delivered under that name through 2018.

The Service Platoon Program connects teams of volunteer veterans, service members, and community members that mobilize together to solve a specific challenge in their community. Our platoons partner with area nonprofits to rebuild their neighborhoods through service projects at schools, community centers, parks, and beyond. Platoon members volunteer as their time permits and develop their leadership skills while fostering camaraderie with like-minded individuals.

The Mass Deployment Program launched in 2016, initially as part of the service platoon program, is a team-based program that mobilizes veterans alongside local partners and volunteers in a single city over the course of a week-long project. At the heart of the effort is a team of over 75 veterans from across the country who report for duty for an entire week to a single city. Together with local partners and volunteers, this team concentrates their efforts to help revitalize neighborhoods, parks and schools. Each day, the team deploys and executes a variety of high-impact missions including construction, landscaping, painting, and public arts projects.

The Women Veteran's Leadership Program is a year-round, cohort-based program which uniquely supports women veterans and the challenges they face. From 2015 through 2019, the Organization conducted an annual summit to unite women veterans from across the country in sharing insights, discussing challenges and to exchanging solutions for addressing them. In 2019, the enhanced leadership program was launched to enable this learning and growth more than just once a year. The new curriculum is immersive and helps build skills across communication, networking, mentorship and self-confidence.

Note A - Nature of Activities (Continued)

Program Support and Thought Leadership. All of our programs require three primary functions that are delivered in a scalable way: technology tools, program design and training, and external affairs support. This also includes TMC research into long-term veteran impact around our Empowered Veteran's index.

Note B - Summary of Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared on the accrual basis and, accordingly, reflect all significant receivables, payables and other liabilities. Revenues and expenses are recognized in the period in which they are earned or incurred.

Basis of Presentation

Financial statement presentation follows the requirements of Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 958, updated for the adoption of ASU 2016-14. The updated presentation of the financial statements requires TMC to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions that limit the use of the donated asset. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. When stipulated time restrictions expire or purpose restrictions are accomplished, these assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity with use of income for unrestricted or temporarily restricted purposes. There are no net assets with donor restrictions held in perpetuity as of December 31, 2019 and 2018.

Use of Estimates in Financial Statement Preparation

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Note B - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

TMC considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. TMC's cash is on deposit at two major domestic financial institutions. At times, bank deposits may be in excess of federally insured limits.

Certificates of Deposit

Certificates of deposit ("CDs") are recorded at cost, which approximates fair value at December 31, 2019 and 2018. As of December 31, 2019, TMC owns two CDs. The CDs were purchased on July 1, 2019 and September 23, 2019, with maturities of January 1, 2020 and September 23, 2020, respectively. The CDs earn interest at an annual percentage yield of 2.15% and 0.65%, respectively.

Investments

Investments are stated at fair value using quoted market prices. Investment income is recognized when earned. Interest and dividend income along with realized and unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Promises to Give

Promises to give are stated at the amount management expects to collect from balances outstanding at year-end. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the receivable. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. At December 31, 2019 and 2018, management considers all outstanding promises to give to be collectible, but has discounted the value of these receivables using a 1.55% and 2.50% discount rate, respectively.

Property and Equipment

Property and equipment are carried at cost or, if donated, are recorded based on the estimated fair values of the assets at the time of donation. Laptops and smaller computer equipment are not capitalized but expensed in period purchased. Major renewals and betterments greater than $2,000 are capitalized and maintenance and repairs which do not improve or extend the life of the respective assets are expensed in the current period. Depreciation and amortization are calculated using a method that approximates straight-line over the estimated useful life of the asset.

Revenue and Support With and Without Donor Restriction

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor restrictions. TMC reports donations of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When the satisfaction of a 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.

Note B - Summary of Significant Accounting Policies (Continued)

Donated Services, Supplies, and Facilities

Donated services, supplies, and facilities are recorded as support at their estimated values at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose (see Note H).

Donated services are recognized when the service either creates or enhances a non-financial asset or requires specialized skill that would be purchased if the service was not donated.

Functional Allocation of Expenses

Costs have been summarized on a functional basis in the statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated between program service expenses and support service expenses.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. TMC allocates staff salaries, benefits, and payroll taxes to programs and support services based upon job role and job description. Office rents and costs are allocated based on the office designation, each region maintaining one regional office and the Saint Louis office costs designated as a national headquarters and allocated to general operations. Depreciation of leasehold assets is allocated similar to office costs, and vehicle depreciation is based on usage. Program technology costs are allocated to programs based on estimated usage. TMC allocates program support costs (such as campaign marketing, program technologies, and program consulting support) to each program based on a pro-rata basis based on planned program participation (e.g., number of fellows, SLC corps members, service platoon leaders). All other costs are directly costed to programs based on the purpose of the activity.

Income Tax Status

TMC constitutes a qualified not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and is, therefore, exempt from federal income taxes. In accordance with accounting principles generally accepted in the United States of America, TMC uses a loss contingency approach for evaluating uncertain tax positions. Management continually evaluates expiring statute of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings. TMC has addressed the provisions of FASB ASC 740, Accounting for Income Taxes. In that regard, TMC has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings and believes that no provision for income taxes is necessary, at this time, to cover any uncertain tax positions.

Reclassification

Certain 2018 figures have been reclassified, where appropriate, to conform to the financial statement presentation used in 2019. The reclassifications had no impact on previously reported net assets.

Note B - Summary of Significant Accounting Policies (Continued)

Change in Accounting Principles

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The ASU clarifies and improves guidance for contributions received and contributions made and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities. The change in accounting principle was adopted under the modified prospective in 2019. No restatement of prior amounts was necessary in the 2019 financial statements as a result of implementing the standard.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (ASC 606). This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers. The standard was adopted on January 1, 2019. The Organization's program revenue is generated substantially from putting together events for veterans all over the world. The revenue for those services is recognized over time as the performance obligation is met. The Organization's ticket sale revenue for special events is recognized at a point in time when the performance obligation is met or when the event occurs. The implementation of the new standard nominally affected the Organization.

Subsequent Events

TMC has evaluated all subsequent events and transactions through April 24, 2020, the date which the financial statements were available to be issued. The Organization's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 ("COVID-19"), which was declared a pandemic by the World Health Organization in March 2020. The full extent and duration of the impact of COVID-19 on the Organization's operations and financial performance is currently unknown and depends on uncertain and unpredictable developments. In order to bolster operating reserves, TMC applied for federal funding under the SBA loan program provided by the CARES Act and was approved for a loan of $1,435,000. TMC received the full amount of these funds subsequent to year end. TMC fully expects to adhere to the guidelines in use of those funds in order that loan repayment would be forgiven.

Note C - Organizational Liquidity and Management

In accordance with ASU 2016-14, TMC provides the following information regarding its ability to meet cash needs within one year of the statement of financial position. As of December 31, 2019 and 2018, TMC had the following assets available to meet operating cash needs:

	2019	2018
Cash and cash equivalents	**$ 1,980,866**	$ 6,518,507
Certificates of deposit	**560,809**	-
Investments, available for liquidation	**3,100,208**	3,006,022
Promises to give, due in current period	**1,722,618**	1,624,799
Liquid Assets	**$ 7,364,501**	$ 11,149,328

Note C - Organizational Liquidity and Management (Continued)

TMC has received gifts restricted for a specific purpose that are included in net assets with donor restrictions. No adjustments have been made in the liquid financial assets listed above as these gifts are expected to be used in the next operating cycle. The financial assets above exclude $1,500,000 available line of credit, which could be utilized to meet TMC's operational needs.

TMC monitors liquidity by reporting and reviewing Days of Cash, separated into four classes: Days of Cash; Days of Receivables and other liquid assets, Days of Reserve Funds (Investments), and Line of Credit Days of Cash.

Note D - Conditional Promises to Give

As of December 31, 2019 and 2018, TMC had conditional promises to give amounting to $2,722,500 and $415,000, respectively, with payments scheduled through December 2021.

In 2019, a $2,500,000 conditional pledge was received from a private foundation, with donor conditions expected to be met and final deliverables issued in May 2020. While this pledge was not received in 2019, and materially relevant to current year operating results, this pledge was not included in 2019 public support due to its conditional nature.

All payments are contingent upon meeting specific goals and milestones as defined in the agreements. During 2019 and 2018, the Organization met the conditions defined in the agreements and received payments totaling $192,500 and $2,408,333, respectively.

Note E - Promises to Give

Promises to give are unconditional promises made by donors but not yet received by TMC. The balance of promises to give at December 31, 2019 and 2018 was $2,377,618 and $2,897,098, respectively. Promises to give are discounted at 1.55% from expected date of receipt to reflect fair value of the asset.

As of December 31, TMC had promises to give for the following amounts:

	2019	2018
Due in 1 year	**$ 1,722,618**	$ 1,624,799
Due in 1 to 5 years	**655,000**	1,272,299
Total promises to give	**2,377,618**	2,897,098
Less: discount on promises to give	**(17,452)**	(76,231)
Total promises to give, net	**$ 2,360,166**	$ 2,820,867

Note F - Investments and Fair Value Measurements

TMC adopted FASB ASC 820-10 Fair Value Measurements and Disclosures. FASB ASC 820-10 establishes a framework for measuring fair value and expands disclosures about fair value measurements. FASB ASC 820-10 defines fair value 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. FASB ASC 820-10 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities that are readily available to TMC.

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Corporate bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Management determines the fair value measurement valuation policies and procedures, subject to Board of Directors assessment and approval, including those for Level 3 recurring and nonrecurring measurements. At least annually, management: (1) determines if the current valuation techniques used in fair value measurements are still appropriate and (2) evaluates and adjusts the unobservable inputs used in the fair value measurements based on current market conditions and third-party information.

TMC recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. In July of 2017, TMC approved and allocated $3,000,000 for investment in a conservative bond portfolio to preserve capital and support future operations. The portfolio is actively managed by UMB and targets a 75-100% bond, 0-25% cash ratio, and the cost basis of $2,599,913.

Note F - Investments and Fair Value Measurements (Continued)

Fair value of assets measured on a recurring basis at December 31, 2019 and 2018, are as follows:

	Fair Value Measurements Using			
December 31, 2019	**Fair Value**	**(Level 1)**	**(Level 2)**	**(Level 3)**
Corporate Bonds	**$ 2,603,320**	**$ -**	**$ 2,603,320**	**$ -**

Investments required to be shown in fair value hierarchy	**$ 2,603,320**
Cash equivalents	**496,888**
Total Investments	**$ 3,100,208**

	Fair Value Measurements Using			
December 31, 2018	**Fair Value**	**(Level 1)**	**(Level 2)**	**(Level 3)**
Corporate Bonds	$ 2,710,251	$ -	$ 2,710,251	$ -

Investments required to be shown in fair value hierarchy	$ 2,710,251
Cash equivalents	295,771
Total Investments	$ 3,006,022

Note G - Property and Equipment

During 2019, TMC had no capital additions to property and equipment, and recorded depreciation expense for the years ended December 31, 2019 and 2018 of $46,988 and $66,495, respectively, related to leasehold improvements and vehicles. As of December 31, 2019 and 2018, property and equipment consisted of:

	2019	2018
Leasehold improvements	**$ 97,954**	$ 97,954
Equipment	**91,805**	91,805
Information technology	**160,376**	160,376
Furniture and fixtures	**36,963**	36,963
Website	**32,300**	32,300
Vehicles	**75,844**	75,844
Total property and equipment	**495,242**	495,242
Less: accumulated depreciation	**(447,231)**	(400,243)
Total property and equipment, net	**$ 48,011**	$ 94,999

Note H - Net Assets with Donor Restrictions

At December 31, 2019 and 2018, net assets with donor restriction were restricted for the following:

	2019	2018
Purpose restrictions	**$ 4,918,571**	$ 4,574,471
Time restrictions	**900,000**	2,575,000
Total Net Assets with Donor Restrictions	**$ 5,818,571**	$ 7,149,471
Releases:		
Purpose restrictions	**$ 5,679,042**	$ 5,660,065
Time restrictions	**1,675,000**	1,407,740
Total Releases	**$ 7,354,042**	$ 7,067,805

Note I - Operating Line-of-Credit

During the year ended December 31, 2019, TMC extended its line of credit with PNC Bank with a borrowing base of $1,500,000, maturing August 2020. There were no draws taken on the line-of-credit during the years ended December 31, 2019 and 2018, respectively.

The line-of-credit is collateralized by all business assets and the certificate of deposit (“CD”) for $500,000. Interest is due monthly at the prime rate plus 0.25%. As of December 31, 2019, the prime rate was 4.75%.

Note J - Concentrations of Direct Support

For the years ended December 31, 2019 and 2018, TMC received 24% of its total revenue from two donors, 58% and 56% from its top 10 donors, and 89% and 88% from its top 50 donors, respectively.

Note K - In-Kind Donations

During the years ended December 31, 2019 and 2018, TMC received donated professional services and supplies valued at $39,915 and $776,355, respectively. These donations consisted of donated legal services, consulting services, as well as airline and hotel vouchers.

Note L - Lease Commitments

At December 31, 2019, TMC has a 36-month lease in St. Louis expiring January 2020 for $4,750 per month, with two options to extend the lease for an additional year. During 2019, TMC exercised one of the two options and extended the St. Louis lease until January 2021. During the year 2018, TMC executed a lease extension in Los Angeles, California for 12 months, ending in February 2020 and signed a 6-month, 30-day cancellable lease in Chicago, Illinois.

TMC leases offices space in primary locations under varying terms and expirations as follows:

Location	Term	Expiration
New York, NY	87 months	March 2022
Washington, DC	36 months	October 2021
Los Angeles, CA	48 months	February 2021
Saint Louis, MO	36 months	January 2021
Chicago, IL	6 months	April 2020

Future minimum rental commitments under these operating leases are as follows:

Year Ending December 31,	Amounts
2020	$ 337,031
2021	216,529
2022	31,893
Total	$ 585,453

Total rent expense for the above office lease commitments for the years ended December 31, 2019 and 2018 was $355,472 and $355,585, respectively.