SCARRITT-BENNETT CENTER

FINANCIAL STATEMENTS
AND OTHER INFORMATION

DECEMBER 31, 2019 AND 2018

SCARRITT-BENNETT CENTER

Table of Contents

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors
Scarritt-Bennett Center
Nashville, Tennessee

We have audited the accompanying financial statements of Scarritt-Bennett Center (the "Center"), a nonprofit organization, 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 audit 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 the Center 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.

Other Matter

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Revenues, Gains, and Other Support and Schedule of Changes in Net Assets, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Crosslin, PLLC

Nashville, Tennessee
April 20, 2020

SCARRITT-BENNETT CENTER
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019			2018
	Current Operations	Endowment	Total	Total
ASSETS				
Cash and cash equivalents	$ 1,101,523	$ -	$ 1,101,523	$ 889,098
Receivables	233,038	-	233,038	256,760
Prepaid expenses	53,712	-	53,712	23,438
Inventory	30,690	-	30,690	30,178
Property and equipment, net	3,334,834	-	3,334,834	2,699,680
Leasehold rights - facilities usage	1,800,000	-	1,800,000	1,800,000
Investment in joint venture	773,243	-	773,243	829,561
Investments	-	5,559,851	5,559,851	4,912,616
Perpetual trusts held by third parties	-	402,815	402,815	361,923
Total assets	$ 7,327,040	$ 5,962,666	$ 13,289,706	$ 11,803,254
LIABILITIES				
Accounts payable and accrued expenses	$ 188,808	$ -	$ 188,808	$ 156,689
Deposits	268,662	-	268,662	328,261
Total liabilities	457,470	-	457,470	484,950
NET ASSETS				
Net assets with donor restrictions:				
Permanent endowments	-	4,510,683	4,510,683	4,467,019
Subject to time or purpose restrictions	1,807,866	1,451,983	3,259,849	2,658,791
Net assets without donor restrictions:				
Undesignated	5,061,704	-	5,061,704	4,192,494
Total net assets	6,869,570	5,962,666	12,832,236	11,318,304
Total liabilities and net assets	$ 7,327,040	$ 5,962,666	$ 13,289,706	$ 11,803,254

See accompanying notes to the financial statements.

SCARRITT-BENNETT CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	$ 1,224,320	$ -	$ 1,224,320
Fees	1,415,543	-	1,415,543
Rent income and use of facilities	761,181	-	761,181
Other income	66,859	-	66,859
Contribution - facilities usage	-	1,800,000	1,800,000
Investment return designated for current operations	-	206,516	206,516
Net assets released from restrictions:			
Expiration of time restriction	1,800,000	(1,800,000)	-
Satisfaction of purpose restrictions	249,921	(249,921)	-
Total revenues, gains, and other support	5,517,824	(43,405)	5,474,419
EXPENSES			
Program expenses:			
Food services	462,706	-	462,706
Rooms and guest services	879,100	-	879,100
Facilities and maintenance	580,886	-	580,886
Programming	173,443	-	173,443
Rent expense - use of facilities	1,800,000	-	1,800,000
Supporting services:			
Management and general	448,313	-	448,313
Marketing and sales	304,166	-	304,166
Total expenses	4,648,614	-	4,648,614
Changes in net assets from operations	869,210	(43,405)	825,805
OTHER CHANGES			
Investment return over amount designated for current operations	-	688,127	688,127
Change in net assets	869,210	644,722	1,513,932
NET ASSETS AT BEGINNING OF YEAR	4,192,494	7,125,810	11,318,304
NET ASSETS AT END OF YEAR	$ 5,061,704	$ 7,770,532	$ 12,832,236

See accompanying notes to the financial statements.

SCARRITT-BENNETT CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	$ 1,207,808	$ -	$ 1,207,808
Fees	1,495,768	-	1,495,768
Rent income and use of facilities	737,207	-	737,207
Other income	68,183	-	68,183
Contribution - facilities usage	-	1,800,000	1,800,000
Investment return designated for current operations	-	194,797	194,797
Net assets released from restrictions:			
Expiration of time restriction	1,800,000	(1,800,000)	-
Satisfaction of purpose restrictions	210,350	(210,350)	-
Total revenues, gains, and other support	5,519,316	(15,553)	5,503,763
EXPENSES			
Program expenses:			
Food services	476,667	-	476,667
Rooms and guest services	472,221	-	472,221
Facilities and maintenance	893,457	-	893,457
Programming	65,004	-	65,004
Rent expense - use of facilities	1,800,000	-	1,800,000
Supporting services:			
Management and general	567,825	-	567,825
Fundraising/development	492	-	492
Marketing and sales	325,959	-	325,959
Total expenses	4,601,625	-	4,601,625
Changes in net assets from operations	917,691	(15,553)	902,138
OTHER CHANGES			
Investment return under amount designated for current operations	-	(499,948)	(499,948)
Change in net assets	917,691	(515,501)	402,190
NET ASSETS AT BEGINNING OF YEAR	3,274,803	7,641,311	10,916,114
NET ASSETS AT END OF YEAR	$ 4,192,494	$ 7,125,810	$ 11,318,304

See accompanying notes to the financial statements.

SCARRITT-BENNETT CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Expenses					Supporting Services		
	Food Services	Rooms and Guest Services	Facilities and Maintenance	Programming	Rent Expense - Use of Facilities	Management and General	Marketing and Sales	Total
Alumni expenses	$ -	$ -	$ -	$ 2,299	$ -	$ 691	$ 3,428	$ 6,418
Audio visual equipment	-	2,945	-	-	-	-	-	2,945
Auditing and accounting	-	-	-	-	-	26,281	-	26,281
Bankcard expense	-	36,622	-	-	-	586	89	37,297
Board travel and expense	-	2,874	-	-	-	5,738	-	8,612
Depreciation	-	-	289,581	-	-	-	-	289,581
Food purchases	183,210	-	-	-	-	24	-	183,234
Janitorial supplies	8,131	6,843	-	-	-	-	-	14,974
Linens	20,313	34,612	-	-	-	-	153	55,078
Marketing	1,440	1,044	-	1,539	-	206	26,338	30,567
Office expense	468	54,643	1,477	1,691	-	89,154	1,856	149,289
Piano/organ tuning	-	1,925	-	300	-	-	-	2,225
Professional/consultant expenses	-	8,719	500	408	-	46,124	130	55,881
Program fees	-	250	-	111,972	-	-	-	112,222
Property maintenance	12,374	42,237	135,018	560	-	567	1,628	192,384
Rent expense - use of facilities	-	-	-	-	1,800,000	-	-	1,800,000
Salaries and wages	236,151	299,694	98,364	53,837	-	277,193	270,496	1,235,735
Security	-	59,586	55,087	-	-	-	-	114,673
Travel	-	106	483	837	-	898	48	2,372
Uniform service	619	177	-	-	-	851	-	1,647
Utilities	-	326,823	376	-	-	-	-	327,199
	$ 462,706	$ 879,100	$ 580,886	$ 173,443	$ 1,800,000	$ 448,313	$ 304,166	$ 4,648,614

See accompanying notes to the financial statements.

SCARRITT-BENNETT CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018

	Program Expenses					Supporting Services			
	Food Services	Rooms and Guest Services	Facilities and Maintenance	Programming	Rent Expense - Use of Facilities	Management and General	Fundraising/ Development	Marketing and Sales	Total
Alumni expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ 350	$ 3,935	$ 4,285
Audio visual equipment	-	1,395	-	-	-	-	-	295	1,690
Auditing and accounting	-	-	-	-	-	33,063	-	-	33,063
Bankcard expense	-	46,554	-	-	-	295	-	-	46,849
Board travel and expense	-	50	-	-	-	6,067	-	-	6,117
Depreciation	-	-	231,311	-	-	16,702	-	-	248,013
Food purchases	195,033	62	-	-	-	-	-	-	195,095
Interest expense	-	-	-	-	-	281	-	-	281
Janitorial supplies	7,477	8,309	-	-	-	-	-	-	15,786
Linens	18,837	37,883	-	-	-	-	-	-	56,720
Marketing	-	-	332	1,122	-	745	-	58,708	60,907
Office expense	1,023	10,595	1,903	286	-	147,867	-	2,258	163,932
Piano/organ tuning	-	1,810	-	-	-	-	-	-	1,810
Professional/consultant expenses	-	3,324	-	40,496	-	51,239	-	1,625	96,684
Program fees	-	-	400	21,473	-	150	-	-	22,023
Property maintenance	5,665	45,095	122,990	1,627	-	221	-	563	176,161
Rent expense - use of facilities	-	-	-	-	1,800,000	-	-	-	1,800,000
Salaries and wages	247,492	304,499	96,250	-	-	289,341	142	258,575	1,196,299
Security	-	-	107,573	-	-	-	-	-	107,573
Travel	-	-	-	-	-	398	-	-	398
Uniform service	1,140	2,062	471	-	-	-	-	-	3,673
Utilities	-	10,583	332,227	-	-	21,456	-	-	364,266
	$ 476,667	$ 472,221	$ 893,457	$ 65,004	$ 1,800,000	$ 567,825	$ 492	$ 325,959	$ 4,601,625

See accompanying notes to the financial statements.

SCARRITT-BENNETT CENTER
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018
	Current Operations	Endowment	Total	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	$ 825,805	$ 688,127	$ 1,513,932	$ 402,190
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation expense	289,581	-	289,581	248,013
Realized and unrealized (gains) losses on investments	-	(817,318)	(817,318)	378,210
Gain from joint venture	(60,000)	-	(60,000)	(60,000)
(Increase) decrease in:				
Receivables	23,722	-	23,722	176,431
Prepaid expenses	(30,274)	-	(30,274)	7,469
Inventory	(512)	-	(512)	36,571
Perpetual trusts held by third parties	-	(40,892)	(40,892)	30,924
Increase (decrease) in:				
Accounts payable and accrued liabilities	32,119	-	32,119	(75,772)
Deposits	(59,599)	-	(59,599)	(32,708)
Net cash provided by (used in) operating activities	1,020,842	(170,083)	850,759	1,111,328
CASH FLOWS FROM INVESTING ACTIVITIES				
Distributions received from joint venture	116,318	-	116,318	121,376
Sales of investments, net	-	170,083	170,083	90,814
Purchases of property and equipment	(924,735)	-	(924,735)	(1,006,792)
Net cash (used in) provided by investing activities	(808,417)	170,083	(638,334)	(794,602)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments on capital lease obligation	-	-	-	(17,357)
Net cash used in financing activities	-	-	-	(17,357)
NET CHANGE IN CASH	212,425	-	212,425	299,369
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	889,098	-	889,098	589,729
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,101,523	$ -	$ 1,101,523	$ 889,098
SUPPLEMENTAL CASH FLOW INFORMATION:				
Cash paid for interest	$ -	$ -	$ -	$ 281

See accompanying notes to the financial statements.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Scarritt-Bennett Center (the "Center") is a conference, retreat, and education center, the mission of which is to create space where individuals and groups can engage each other to achieve a more just world. The Center is related to the United Methodist Church. The property from which the Center operates is located in Nashville, Tennessee, and is owned by United Methodist Women ("UMW"). The Center provides conference and meeting space to groups for day and multi-day meetings. The Center also offers its own program of education for ministry. The mission of the Center's programs include multi-cultural, ecumenical, and inter-faith activities.

The Center is the sole member of SBC Educational Housing, LLC, a Tennessee nonprofit limited liability company. SBC Educational Housing, LLC was organized in August 2012 to hold the interest in the joint venture as described in Note G.

All significant inter-entity activity has been eliminated in the accompanying financial statements.

Net Assets

For reporting purposes, the Center's financial statements have been prepared to focus on the Center as a whole. Resources are classified into two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Center and changes therein are classified and reported as follows:

> *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 Center. These net assets may be used at the discretion of the Center'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 Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity, but may permit the Center to use or expend part or all of the income derived from the donated assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue Recognition

Contributions

The Center reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period as received are reflected as contributions without donor restrictions in the accompanying financial statements.

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributed services are recognized as revenue at their fair value if the services create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills and typically would have been purchased if not provided by contribution. Contributed services and promises to contribute that do not meet these criteria are not recognized as revenue and are not reported in the accompanying financial statements.

Fees, Rent Income, and Use of Facilities

Fees, rent income, and use of facilities are reported at the amount that reflects consideration to which the Center expects to be entitled in exchange for providing a conference, retreat, and education space to individuals and groups for day and multi-day meetings. Generally, the fees and changes are due in advance of or at the time the use of the facilities occur. Revenue is recognized as the performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Center. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected or actual charges. The Center approves annual operating budget, which establishes various charges for the year.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Center considers all highly-liquid instruments purchased with a maturity date of three months or less to be cash equivalents. Cash and cash equivalents that are designated for long-term investment are included in investments in the accompanying statements of financial position.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Receivables

Receivables are stated at the amount the Center expects to collect from outstanding balances at year-end. The Center provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. 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 accounts receivable. At December 31, 2019 and 2018, management concluded that losses, if any, on balances outstanding would not be material based on management's assessment of credit history and current relationships. Therefore, no valuation allowance was established at December 31, 2019 or 2018.

Inventory

Inventory consists primarily of food products on hand at the statement of financial position date and is stated at the lower of cost or net realizable value on a first-in first-out basis.

Property and Equipment

The Center's property and equipment is depreciated using the straight-line method over the estimated useful lives of the respective assets, which range from 3 to 27.5 years. Amortization of leasehold improvements is provided over the lives of the respective leases, including renewals, or the estimated useful lives of the improvements, whichever is shorter. The Center's policy is to capitalize property and equipment purchases in excess of $1,000. Property and equipment is valued at cost, if purchased, or fair value, if contributed.

Investments

Investments in equity and debt securities with readily determinable fair values are carried at fair value based on quoted prices, where available, and on Level 2 inputs (See Note P).

Investment income, including realized and unrealized gains and losses, is recorded in the appropriate net asset classification based on restrictions or absence thereof.

Perpetual Trusts Held by Third Parties

Perpetual trusts held by third parties represent resources neither in possession nor under the control of the Center, but held and administered by outside parties for the benefit of the Center and its mission. These funds are recorded at their fair value based on the underlying investments.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Deposits

Deposits represent amounts collected by the Center for event services that have not yet been performed.

Income Tax Status

The Center qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, the Center qualifies for the charitable contribution deduction under Section 170(b)(l)(A).

The Center accounts for the effect of any uncertain tax positions based on a more likely than not threshold to the recognition of the tax positions being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of these positions, the unrecognized tax benefit is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. Tax positions for the Center include, but are not limited to, the tax-exempt status and determination of whether certain income is subject to unrelated business income tax; however, the Center has determined that such tax positions do not result in an uncertainty requiring recognition.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized and reported on a functional basis. Program expenses include costs directly associated with the program and other indirect costs determined to benefit that program. These costs have been allocated between program expenses and supporting services based on estimates made by management.

Advertising

The Center expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2019 and 2018, was $24,456 and $55,431, respectively.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements

Assets recorded at fair value in the statements of financial position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs, as defined by Financial Accounting Standards Board Accounting Standards Codification ("ASC") 820*, Fair Value Measurements and Disclosures*, are as follows:

> Level 1 - Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.
>
> Level 2 - Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.
>
> Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Center's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

New Accounting Pronouncements

Effective January 1, 2019, the Center adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The new guidance requires the Center to recognize revenue to depict the transfer of goods or services to members in an amount that reflects the consideration to which the Center expects to be entitled in exchange for those goods or services. The new guidance also requires expanded disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with members. The ASU has been applied retrospectively to all periods presented. The adoption of this new standard did not result in a material impact to the Center's financial statements. There was no significant effect on the financial statements related to the adoption of this new standard which would require a cumulative effect adjustment to net assets at the date of adoption.

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

The table below represents financial assets available for general expenditures within one year at December 31, 2019 and 2018:

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	2019	2018
Financial assets at year-end:		
Cash	$1,101,523	$ 889,098
Receivables	233,038	256,760
Leasehold rights - facilities usage	1,800,000	1,800,000
Investment in joint venture	773,243	829,561
Investments	5,559,851	4,912,616
Perpetual trusts held by third parties	402,815	361,923
Total financial assets	9,870,470	9,049,958
Less amounts not available to be used for general expenditures within one year:		
Financial assets not available to be used within one year:		
Investment in joint venture	773,243	829,561
Amounts subject to time or purpose restrictions	3,259,849	2,658,791
Donor restricted funds held in perpetuity	4,510,683	4,467,019
Total financial assets not available to be used within one year	8,543,775	7,955,371
Financial assets available to meet general expenditures within one year	$ 1,326,695	$1,094,587

The Center receives significant support through restricted and unrestricted contributions and must maintain sufficient resources to meet responsibilities to its donors; therefore, these assets are limited to use for donor-restricted purposes. The Center also reviews significant revenues from grants which are mainly received from UMW and are ongoing. Grant revenues are received monthly through submittal of reimbursement requests for various capital items and property improvements. The Center is the beneficiary of various perpetual trusts created by donors, the assets of which are not in the possession of the Center. The Center has legally enforceable rights or claims to such assets including the right to income therefrom. The Center has recorded the assets and recognized contribution revenue with donor restrictions at the fair value of its beneficial interest in these perpetual trusts. Distributions received on these perpetual trusts are recorded as investment income in the statements of activities unless otherwise restricted by the donor. Subsequent changes in fair value of the perpetual trusts are recorded as net unrealized gains or losses on perpetual trusts held by others in the net assets with donor restrictions classification. The Center has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

C. INVESTMENTS

Investments are presented in the financial statements at fair value. At December 31, 2019 and 2018, the fair value and cost of investments are as follows:

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Short-term investments	$ 490,032	$ 490,032	$ 373,782	$ 373,782
Equities	3,360,953	2,291,823	2,832,804	1,748,085
Fixed income	1,708,866	1,669,978	1,706,030	1,731,752
	$5,559,851	$4,451,833	$4,912,616	$3,853,619

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended December 31, 2019 and 2018:

	2019			
	Without Donor Restrictions	With Donor Restrictions: Temporary in Nature	With Donor Restrictions: Permanent in Nature	Total
Interest and dividend income, net of fees	$ -	$ 74,553	$ 2,772	$ 77,325
Net realized and unrealized losses on long-term investments	-	776,426	40,892	817,318
	$ -	$850,979	$43,664	$894,643
Investment return designated for current operations	$ -	$206,516	$ -	$206,516
Investment return under amount designated for current operations	-	644,463	43,664	688,127
	$ -	$850,979	$43,664	$894,643

C. INVESTMENTS - Continued

	2018			
	Without Donor Restrictions	With Donor Restrictions Temporary in Nature	With Donor Restrictions Permanent in Nature	Total
Interest and dividend income, net of fees	$ -	$ 73,059	$ -	$ 73,059
Net realized and unrealized losses on long-term investments	-	(347,286)	(30,924)	(378,210)
	$ -	$(274,227)	$(30,924)	$(305,151)
Investment return designated for current operations	$ -	$ 194,797	$ -	$194,797
Investment return under amount designated for current operations	-	(469,024)	(30,924)	(499,948)
	$ -	$(274,227)	$(30,924)	$(305,151)

Investment expenses of approximately $67,600 and $66,800 in 2019 and 2018, respectively, have reduced investment income.

D. PERPETUAL TRUSTS HELD BY THIRD PARTIES

Two donors have established perpetual trusts, which are administered by third parties. Under the terms of the first trust, the Center has the irrevocable right to receive the income earned on the trust assets in perpetuity. Income is unrestricted. At December 31, 2019 and 2018, the fair value of the assets held under the agreement was $180,010 and $163,751, respectively, and is included in net assets with donor restrictions.

Under the terms of the second trust, the Center has an irrevocable right to receive the income earned on the trust in perpetuity. Income is restricted for scholarships. At December 31, 2019 and 2018, the fair value of the assets held under the second agreement was $222,805 and $198,172, respectively, and is included in net assets with donor restrictions.

E. ENDOWMENT

The Center's endowment consists of approximately 80 individual funds established for a variety of purposes and are donor-restricted endowment funds. As required by U.S. Generally, Accepted Accounting Principles ("GAAP"), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Center is subject to the Tennessee Prudent Management of Institutional Funds Act ("TPMIFA") and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions until the Board of Directors appropriates such amounts for expenditure and any other purpose restrictions have been met. The Board of Directors has interpreted TPMIFA 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 Center 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. In accordance with TPMIFA, the Center 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 Center 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 Center
- the investment policies of the Center.

E. ENDOWMENT - Continued

Endowment net assets are composed of the following at December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions: Temporary in Nature	With Donor Restrictions: Permanent in Nature	Total
Donor-restricted endowment funds	$ -	$1,451,983	$4,510,683	$5,962,666
Board-designated endowment funds	-	-	-	-
	$ -	$1,451,983	$4,510,683	$5,962,666

Changes in endowment net assets are as follows for the year ended December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions: Temporary in Nature	With Donor Restrictions: Permanent in Nature	Total
Endowment net assets, beginning of year	$ -	$ 807,520	$4,467,019	$ 5,274,539
Investment return:				
Investment income	-	74,553	2,772	77,325
Net realized and unrealized gains	-	776,426	40,892	817,318
Total investment return	-	850,979	43,664	894,643
Appropriation of endowment gains for expenditures	-	(206,516)	-	(206,516)
Endowment net assets, end of year	$ -	$ 1,451,983	$4,510,683	$ 5,962,666

E. ENDOWMENT - Continued

Endowment net assets are composed of the following at December 31, 2018:

	Without Donor Restrictions	With Donor Restrictions Temporary in Nature	With Donor Restrictions Permanent in Nature	Total
Donor-restricted endowment funds	$ -	$807,520	$4,467,019	$5,274,539
Board-designated endowment funds	-	-	-	-
	$ -	$807,520	$4,467,019	$5,274,539

Changes in endowment net assets are as follows for the year ended December 31, 2018:

	Without Donor Restrictions	With Donor Restrictions Temporary in Nature	With Donor Restrictions Permanent in Nature	Total
Endowment net assets, beginning of year	$ -	$ 1,276,544	$ 4,497,943	$ 5,774,487
Investment return (loss):				
Investment income	-	73,059	-	73,059
Net realized and unrealized losses	-	(347,286)	(30,924)	(378,210)
Total investment loss	-	(274,227)	(30,924)	(305,151)
Appropriation of endowment gains for expenditures	-	(194,797)	-	(194,797)
Endowment net assets, end of year	$ -	$ 807,520	$ 4,467,019	$ 5,274,539

E. ENDOWMENT - Continued

Funds With Deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or TPMIFA requires the Center to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. Deficiencies generally result from unfavorable market fluctuations that occur along with continued appropriation for certain programs that are deemed prudent by the Board of Directors. There were no such funds with material deficiencies at December 31, 2019 or 2018.

Return Objectives and Risk Parameters

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Center must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that, over time, provide a return of approximately eight percent annually while assuming a moderate level of investment risk. Actual returns in any given year will vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Center 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 Center targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Center has a policy of appropriating 4.00% as of both December 31, 2019 and 2018, for distribution of its endowment fund's average fair value over the prior three years. The calculation is based on the three fiscal years ending on September 30, proceeding the calendar year in which the distribution is planned. In establishing this policy, the Center considered the long-term expected return on its endowment. Accordingly, over the long-term, the Center expects the current spending policy to allow its endowment to grow at an average of two percent annually. This is consistent with the Center's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

F. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2019 and 2018, is as follows:

	2019	2018
Improvements	$ 4,273,178	$ 3,365,889
Furniture	105,432	105,432
Equipment	873,359	855,913
	5,251,969	4,327,234
Less accumulated depreciation	(1,917,135)	(1,627,554)
	$ 3,334,834	$ 2,699,680

G. INVESTMENT IN JOINT VENTURE - MIDTOWN PLACE, LLC

During November 2010, the Center entered into a development agreement with a real estate developer. Under the agreement, the Center contributed, during 2011, certain land and buildings in exchange for a 50% equity interest in a newly formed entity, Midtown Place, LLC. The net book value of the assets at the time of transfer totaled $1,811,806. This amount was recorded as the Center's investment in the joint venture. The real estate developer owns the other 50% interest in Midtown Place, LLC. During 2011, Midtown Place, LLC demolished the existing structures on the land and in their place constructed a new 55-unit apartment complex, Midtown Place Apartments. Construction of the new apartments was completed in July 2012. The developer manages the apartment complex for a management fee of four percent of gross rents less collectible deposits.

During August 2012, the Center formed a Tennessee nonprofit limited liability company, SBC Educational Housing, LLC, ("Educational Housing"). The Center is the sole member of Educational Housing. In connection with the formation, the Center transferred its interest in Midtown Place, LLC to Educational Housing.

In conjunction with the construction of the new apartment complex, Midtown Place entered into a construction promissory note, the balance of which was $5,129,311 and $5,242,218 at December 31, 2019 and 2018, respectively. The loan is collateralized by Midtown Place Apartments and is guaranteed by the developer. The Center does not guarantee the loan.

G. INVESTMENT IN JOINT VENTURE - MIDTOWN PLACE, LLC - Continued

A summary of the assets and liabilities of Midtown Place, LLC as of December 31, 2019 and 2018, is as follows:

	2019	2018
Total assets	$6,069,103	$6,223,003
Total liabilities	5,312,881	5,435,496
Equity	$ 756,222	$ 787,507

Net revenues of Midtown Place totaled $993,733 and $948,685 for 2019 and 2018, respectively. The Center's share of Midtown Place's net income for both 2019 and 2018 was $60,000. The Center received distributions from Midtown Place totaling $116,318 and $121,376 in 2019 and 2018, respectively.

The Center's carrying value of the investment Midtown Place, LLC exceeds its share of the underlying net assets, which is considered to be equity method goodwill. The Center evaluates the carrying value of its investment in Midtown Place, LLC on at least an annual basis and more frequently if events occur or circumstances change that would likely reduce the fair value below its carrying amount. No impairment allowance was considered necessary at December 31, 2019 or 2018.

H. RETIREMENT EXPENSES

All permanent employees who obtain six months of service are eligible to participate in the United Methodist Personal Investment Plan ("UMPIP"), which is serviced through Wespath Benefits and Investments of the United Methodist Church. Employees may participate by contributing to a personal accumulations account, through payroll deduction, up to 100% of eligible compensation, not to exceed Internal Revenue Code limits (maximum of $19,000 and $18,500 for 2019 and 2018, respectively). Employees who have attained age 50 before the end of the year are eligible to make catchup contributions (maximum of $6,000 for both 2019 and 2018). The Center provides a discretionary contribution of nine percent on behalf of the employees. Employees are not required to make a personal contribution in order to receive the discretionary contribution. The total retirement expense for the years ended December 31, 2019 and 2018, was $63,496 and $61,100, respectively.

I. HEALTH CARE AND LIFE INSURANCE BENEFITS

The Center provides health, life, and other employee benefits for its active employees and health, dental, and life benefits to retirees through a group plan which qualifies for treatment as a multi-employer plan under ASC 715, *Compensation - Retirement Benefits*. Substantially all retired employees are eligible to participate in the plan if they have attained normal retirement age while in the employ of the Center.

The General Agencies of The United Methodist Church Benefit Plan (the "Plan") provides medical, dental, life, and long and short-term disability defined benefits to participants of general agencies and employees of other certain United Methodist related organizations, including the Center.

The Plan's unfunded accumulated postretirement benefit obligation ("APBO") was approximately \$76,700,000 and \$94,500,000 and the Plan's unfunded expected postretirement benefit obligation ("EPBO") was approximately \$106,700,000 and \$131,500,000 as of December 31, 2019 and 2018, respectively.

All of the Center's active employees are covered by the Plan. The cost of the benefits is recognized as expense as premiums are paid. The total cost of benefits for active employees was \$154,411 and \$172,152 in 2019 and 2018, respectively.

J. RELATED PARTY TRANSACTIONS

The United Methodist Women ("UMW") appoints 8 of the 24 voting directors of Scarritt-Bennett Center. In 2019 and 2018, the UMW provided the Center with financial support of \$100,000 in each year and grants in the amount of \$908,403 and \$1,001,347, respectively, in addition to the rent-free use of the facilities, as described in Note K. UMW also holds meetings and conferences at the Center, for which the Center receives fees and income from use of facilities.

In March 2018, the Center entered into a service agreement with the General Council on Finance and Administration of the United Methodist Church ("GCFA"). Under the agreement, GCFA has committed to provide the Center with payroll, human resource, and information technology services. Fees paid to GCFA totaled \$50,865 and \$28,407 in 2019 and 2018, respectively.

K. CONTRIBUTION - RENT-FREE USE OF FACILITIES

UMW has contributed a rent-free lease agreement to the Center. The Center renewed the lease agreement with the UMW, effective January 1, 2011. The renewed lease agreement provides generally for a lease term through December 2020 with certain renewal options as well as termination provisions. The estimated fair value of the contributed facilities is recorded as a gift in the period the lease is executed and, for any terms in excess of one year, the value is discounted to its present value at that time. Based on the provisions of the lease agreement, the Center generally records the contributions in annual installments when it is known that the lease will remain in effect for the upcoming year. The contribution receivable relating to the rent-free use of facilities is included as leasehold rights - facilities usage in the accompanying statements of financial position. The leasehold rights - facilities usage was $1,800,000 at both December 31, 2019 and 2018, which represents the right to use the facilities for 2019 and 2018, respectively. The related rent expense was $1,800,000 for 2019 and 2018. The leasehold rights - facilities usage as of December 31, 2019 and 2018, is a net asset with donor restrictions.

L. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2019 and 2018 have been restricted by the donor for the following purposes:

	2019	2018
Subject to time and purpose restrictions:		
Time restrictions:		
Facilities usage	$1,800,000	$1,800,000
General endowment - net accumulated gains	787,673	371,824
Purpose restrictions:		
Miller lectureship	112,199	93,534
Centennial Global Scholars Fund	77,420	64,553
General unrestricted scholarships	473,174	276,313
Library	1,517	1,296
Other	7,866	51,271
	3,259,849	2,658,791
Permanent endowments:		
General endowment	3,108,865	3,092,606
Scholarships	1,351,818	1,324,413
Other	50,000	50,000
	4,510,683	4,467,019
	$7,770,532	$7,125,810

L. NET ASSETS WITH DONOR RESTRICTIONS - Continued

Income from permanent endowments to be held in perpetuity are available for general operations and scholarships.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2019	2018
Time restrictions:		
Passage of specified time - rent-free use facilities	$1,800,000	$1,800,000
Purpose restrictions:		
Satisfaction of purpose restrictions	249,921	210,350
	$2,049,921	$2,010,350

M. CONCENTRATIONS

The Center maintains cash and investments in accounts, which, at times, may exceed federally insured limits. Credit risk is managed by maintaining all deposits in financial institutions which management believes are high quality financial institutions and by maintaining diversification of investments, including those held in various securities. Such funds are subject to inherent market fluctuations, which, at times, may be significant. The Center also generally has a concentration of fee and rental income from certain United Methodist Groups.

N. LEASES AND COMMITMENTS

Operating Leases and Other Commitments

The Center leases certain copier equipment under a non-cancelable operating lease. The Center also has commitments through agreements for certain maintenance of facilities and security and fire monitoring. Expenses associated with operating leases and commitments for the years ended December 31, 2019 and 2018 amounted to approximately $27,000 and $150,000, respectively. Expected future minimum lease payments required under the non-cancelable agreements as of December 31, 2019 are as follows:

Year Ending December 31,	Amount
2020	$14,787
2021	6,926
	$21,713

N. LEASES AND COMMITMENTS - Continued

Subleases

The Center subleases space to various not-for-profit organizations. Rental income associated with these subleases for the years ended December 31, 2019 and 2018 amounted to approximately $55,600 and $51,400, respectively. Expected future minimum rental income under the sublease agreements as of December 31, 2019 are as follows:

Year Ending December 31,	Amount
2020	$57,000
2021	38,000
	$95,000

O. COLLECTIONS

The Centers maintains certain collections of artifacts, art, traditional pieces and other items. These items are held and displayed in the Center's various facilities for educational and exhibition purposes. Items are preserved and cared for, and their condition maintained. Collection items are not included in the statements of financial position and the value of collection items given to the Center is not reflected as revenue. When applicable, the cost of objects purchased is reported in program expenses.

P. FAIR VALUE OF FINANCIAL INSTRUMENTS

Disclosures concerning the estimated fair value of financial instruments are presented below. The estimated fair value amounts have been determined based on the Center's assessment of available market information and appropriate valuation methodologies. The following table summarizes required fair value disclosures and measurements at December 31, 2019 and 2018, for assets measured at fair value on a recurring basis under ASC 820, *Fair Value Measurements and Disclosures*:

P. FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

	Assets Measured at Fair Value	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2019:				
Investments:				
Short-term investments	$ 490,032	$ 490,032	$ -	$ -
Equities	3,360,953	3,360,953	-	-
Fixed income	1,708,866	-	1,708,866	-
Total investments	$5,559,851	$3,850,985	$1,708,866	$ -
Perpetual trusts held by third parties	$ 402,815	$ 402,815	$ -	$ -
December 31, 2018:				
Investments:				
Short-term investments	$ 373,782	$ 373,782	$ -	$ -
Equities	2,832,804	2,832,804	-	-
Fixed income	1,706,030	-	1,706,030	-
Total investments	$4,912,616	$3,206,586	$1,706,030	$ -
Perpetual trusts held by third parties	$ 361,923	$ 361,923	$ -	$ -

P. FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

Investments

The fair value of short-term investments and equities are determined using primarily Level 1 inputs in accordance with ASC 820. The fair values of fixed income instruments are determined using primarily Level 2 inputs.

Perpetual Trusts Held by Third Parties

Fair value is based on Level 1 inputs, quoted market prices, where available.

Other

The Center's other financial instruments include accounts receivable, and accounts payable and other liabilities. The recorded values of accounts receivable and accounts payable and other liabilities approximate their fair values based on their short-term nature.

Q. CONTINGENCIES

The Center is subject to potential claims and other legal proceedings arising in the ordinary course of its operations. Management consults with the Center's legal counsel in addressing such items.

R. CONTINUING OPERATIONS

The Center's capacity to meet its financial commitments and operational needs are dependent on the Center's ability to secure ongoing revenues and funding for its activities, including regular contributions and donations, increased fee revenues from campus improvement plans, market performance of the endowment funds, and the continued support and grants from UMW. Significant changes in these sources or levels of funding, or inability to carry-out certain campus improvement and other revenue generation plans, would materially affect the Center's program activities and ability to operate.

S. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 20, 2020, the date the financial statements were available for issuance, and has determined that there was one subsequent event requiring disclosure as follows:

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak"). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the pandemic continues to evolve as of the date of this report. The Center's operations are dependent on contributions and grants from individuals and other not-for-profits as well as from the fees, rent income, and use of facilities revenues the Center receives in exchange for providing a conference, retreat, and education space to individuals and groups for day and multi-day meetings. Contributions and grants as well as reservations and consumer demand for the Center's space have greatly decreased since the spread of the outbreak due to travel restrictions put in place by governments to curtail the spread of the coronavirus as well as due to developments such as social distancing and shelter-in-place directives, which have impacted the Center's customer demand.

In addition, this pandemic has adversely affected global economic activity and greatly contributed to significant deterioration and instability in financial markets. As of the date of this report, the Center's investment portfolio has incurred a significant decline since December 31, 2019. Because the values of the Center's investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in subsequent periods, if any, and related impact on the Center's liquidity cannot be determined at this time. The pandemic may have a continued material adverse impact on economic and market conditions, triggering a period of economic slowdown. As such, this may hinder the Center's ability to advance their mission and has led the Center to seek financing through the Paycheck Protection Program ("PPP"). On April 13, 2020, the Center was approved for the PPP loan. On April 16, 2020, the Center received funding for the PPP loan in the amount of approximately $194,000.

While expected to be temporary, the Center cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on the Center's results of future operations, financial position, and liquidity in fiscal year 2020.

OTHER INFORMATION

SCARRITT-BENNETT CENTER
SCHEDULE OF REVENUES, GAINS, AND OTHER SUPPORT
YEAR ENDED DECEMBER 31, 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Contributions:			
UMW support and grants	$ 1,008,403	$ -	$ 1,008,403
Other gifts	215,917	-	215,917
	1,224,320	-	1,224,320
Fees:			
Audio/visual equipment fees	41,677	-	41,677
Catering	289,312	-	289,312
Dining hall use	19,200	-	19,200
Food service	309,328	-	309,328
Housing and meeting space	749,156	-	749,156
Program fees	6,250	-	6,250
Other fees	620	-	620
	1,415,543	-	1,415,543
Rent income and use of facilities:			
Scarritt Hall	40,400	-	40,400
Bennett Hall	40,487	-	40,487
Chapel and forfeited deposits	320,413	-	320,413
Fondren Hall	73,515	-	73,515
Laskey Library	244,766	-	244,766
Ogburn House	41,600	-	41,600
	761,181	-	761,181
Other income:			
Gain on joint venture	60,000	-	60,000
Miscellaneous	6,859	-	6,859
	66,859	-	66,859
Contribution - facilities usage	-	1,800,000	1,800,000
Investment return designated for current operations	-	206,516	206,516
Net assets released from restrictions:			
Expiration of time restriction	1,800,000	(1,800,000)	-
Satisfaction of purpose restrictions	249,921	(249,921)	-
Total revenues, gains, and other support	$ 5,517,824	$ (43,405)	$ 5,474,419

See independent auditor's report.

SCARRITT-BENNETT CENTER
SCHEDULE OF REVENUES, GAINS, AND OTHER SUPPORT
YEAR ENDED DECEMBER 31, 2018

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Contributions:			
UMW support and grants	$ 1,101,347	$ -	$ 1,101,347
Other gifts	106,461	-	106,461
	1,207,808	-	1,207,808
Fees:			
Audio/visual equipment fees	31,599	-	31,599
Catering	215,900	-	215,900
Dining hall use	26,510	-	26,510
Food service	334,416	-	334,416
Housing and meeting space	880,366	-	880,366
Program fees	6,624	-	6,624
Other fees	353	-	353
	1,495,768	-	1,495,768
Rent income and use of facilities:			
Scarritt Hall	39,600	-	39,600
Bennett Hall	34,105	-	34,105
Chapel and forfeited deposits	348,690	-	348,690
Fondren Hall	56,118	-	56,118
Laskey Library	220,294	-	220,294
Ogburn House	38,400	-	38,400
	737,207	-	737,207
Other income:			
Gain on joint venture	60,000	-	60,000
Miscellaneous	8,183	-	8,183
	68,183	-	68,183
Contribution - facilities usage	-	1,800,000	1,800,000
Investment return designated for current operations	-	194,797	194,797
Net assets released from restrictions:			
Expiration of time restriction	1,800,000	(1,800,000)	-
Satisfaction of purpose restrictions	210,350	(210,350)	-
Total revenues, gains, and other support	$ 5,519,316	$ (15,553)	$ 5,503,763

See independent auditor's report.

SCARRITT-BENNETT CENTER
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2019

	Balance Beginning of Year	Additions: Gifts	Additions: Income Added to Principal	Additions: Net Gain/(Loss) on Investments	Balance End of Year
Net Assets With Donor Restrictions (Perpetual in Nature):					
Donor-Restricted Endowments -					
Unrestricted Investment Earnings:					
Allison, William Roy and Louise	$ 76,558	$ -	$ -	$ -	$ 76,558
Ansley, Mildred	200,000	-	-	-	200,000
Bethea, Betty Sue	62,500	-	-	-	62,500
Browning, Emma	4,925	-	-	-	4,925
Cadwallader, Evangelism Chair	677,537	-	-	-	677,537
Campbell, Barbara	2,500	-	-	-	2,500
Campbell, Estate of Maggie	10,000	-	-	-	10,000
Carey, Phyllis Ordwein	20,000	-	-	-	20,000
Chappell, Clovis G.	10,000	-	-	-	10,000
Craig, Susie C. Estate	5,000	-	-	-	5,000
Davis 1996 Family Trust	36,394	-	-	-	36,394
Du Bois - Rebecca Wilson Memorial	221,123	-	-	-	221,123
Durham, Milton	8,831	-	-	-	8,831
Fisher, Margaret Estate	5,300	-	-	-	5,300
Fisher, Robert E.	16,500	-	-	-	16,500
Floyd, Milton & Phillips, Lena McQueen	5,000	-	-	-	5,000
Fridy, Martha Baskett	6,749	-	-	-	6,749
General Endowment	986,665	-	-	-	986,665
George, Estate of Evelyn	112,780	-	-	-	112,780
Hall, Clyde W.	11,470	-	-	-	11,470
Howell, Mable K.	91,801	-	-	-	91,801
Hunter, S. S.	5,000	-	-	-	5,000
Kern Memorial Fund	10,704	-	-	-	10,704
Killingsworth Trust, Louise and Mathilde	6,335	-	-	-	6,335
Kresge Memorial Fund	25,410	-	-	-	25,410
Mathews, Charitable Annuity of Eunice J.	1,782	-	-	-	1,782
McWhirter, Susie	5,017	-	-	-	5,017
Morgan, Elma	5,190	-	-	-	5,190
Orgain, Jessamine Perpetual Trust	163,751	-	-	16,259	180,010
Perkins, Dorothy Joe	20,000	-	-	-	20,000
Redus - Atchley	7,965	-	-	-	7,965
Riddle, Napoleon Bonapart	1,000	-	-	-	1,000
Steele, Mrs. Neva S.	27,975	-	-	-	27,975
Small, Mary Jane Matthews	8,727	-	-	-	8,727
Snyder, W. K. Estate	139,068	-	-	-	139,068
Summers, Lemuel C.	5,000	-	-	-	5,000
Texas Conference - WSCS	11,556	-	-	-	11,556
Thompson, Elizabeth A.	7,037	-	-	-	7,037
Todd, Estate of Mary A.	10,218	-	-	-	10,218
Vest Financial Services	6,406	-	-	-	6,406
Waldrop, Nancy G.	10,000	-	-	-	10,000
Whittle, Tyle	8,000	-	-	-	8,000
Wickline, Marvin Memorial	20,000	-	-	-	20,000
WSCS - North Alabama Conference	5,243	-	-	-	5,243
Young, Louise	9,589	-	-	-	9,589
	3,092,606	-	-	16,259	3,108,865

SCARRITT-BENNETT CENTER
SCHEDULE OF CHANGES IN NET ASSETS - CONTINUED
YEAR ENDED DECEMBER 31, 2019

	Balance Beginning of Year	Additions: Gifts	Additions: Income Added to Principal	Additions: Net Gain/(Loss) on Investments	Balance End of Year
Donor-Restricted Endowments -					
Income Restricted For General Scholarships:					
Barnes, Jane E.	5,000	-	-	-	5,000
Barnett, Ola Lee Perpetual Trust	198,172	-	-	24,633	222,805
Beck Fund	9,400	-	-	-	9,400
Bice, C. E.	6,000	-	-	-	6,000
Brewer, Pet Melton	8,300	-	-	-	8,300
Brown, Winstead	2,968	-	-	-	2,968
Burton, Edith	5,000	-	-	-	5,000
Edinger, Andrew - Emma	13,265	-	-	-	13,265
Fishburn, Collie L.	10,657	-	-	-	10,657
Fowler, Emmett D.	5,000	-	-	-	5,000
Frantz Fund	2,065	-	-	-	2,065
General Scholarship Fund	89,880	-	-	-	89,880
Giles, Stella H.	77,444	-	-	-	77,444
Glendenning, Mary E.	22,810	-	-	-	22,810
Goddard, Carrie L.	9,527	-	-	-	9,527
Haas, Hattie	5,694	-	-	-	5,694
Haskins, Sarah Estelle	12,168	-	-	-	12,168
Heard, Lucy Hyda	107,724	-	-	-	107,724
Hooser, Ruby Van	6,720	-	-	-	6,720
Jarrett, Katherine S.	14,000	-	-	-	14,000
Joy Fund	10,000	-	-	-	10,000
Kreiger Scholarship Loan	38,121	-	-	-	38,121
Minnie Lee Lancaster Trust	8,419	-	-	-	8,419
Lewis Memorial - June North	11,852	-	-	-	11,852
Lunden, Samuel E. & Leila A.	260,533	-	-	-	260,533
Maddin, Mary Belle Keith	19,268	-	2,772	-	22,040
Madely, D. A.	10,000	-	-	-	10,000
McCready, Isabel Bennett	161,134	-	-	-	161,134
Miller, Margaret Ross	15,000	-	-	-	15,000
Miller, Marion	10,000	-	-	-	10,000
Moore, Nell Proffit	3,732	-	-	-	3,732
Myers, Mary Elizabeth	26,580	-	-	-	26,580
Neblett, Sterling Augustus	5,978	-	-	-	5,978
Payne, Mrs. G. A.	3,987	-	-	-	3,987
Poynter, Harriet & Juliet	13,500	-	-	-	13,500
Pratt, Carrie Bexton	2,500	-	-	-	2,500
Richardson, Dr. Mary McDaniel	6,000	-	-	-	6,000
Saunders Family	5,734	-	-	-	5,734
Sensabaugh Fund	56,715	-	-	-	56,715
Towner, Ruth Memorial	5,610	-	-	-	5,610
Woodruff, Annie Lou Scholarship	37,956	-	-	-	37,956
	1,324,413	-	2,772	24,633	1,351,818
Donor-Restricted Endowments -					
Earnings Restricted for Various Purposes:					
Centennial Global Scholars Fund	15,000	-	-	-	15,000
Miller, George - Lectures	25,000	-	-	-	25,000
Library Endowment	10,000	-	-	-	10,000
	50,000	-	-	-	50,000
Total Net Assets With Donor Restrictions - (Donor-Restricted Endowments - Perpetual in Nature)	$ 4,467,019	$ -	$ 2,772	$ 40,892	$ 4,510,683

SCARRITT-BENNETT CENTER
SCHEDULE OF CHANGES IN NET ASSETS - CONTINUED
YEAR ENDED DECEMBER 31, 2019

	Balance Beginning of Year	Income (Loss)	Deductions: Maturities, Expenditures, and Redemptions	Other	Balance End of Year
Investment Earnings From Donor-Restricted Endowments - Net Asset With Donor Restrictions (Temporary in Nature):					
Centennial Global Scholars Fund					
Earnings net of expenditures	$ 31,245	$ 1,164	$ -	$ -	$ 32,409
Realized and unrealized gains and losses	33,308	11,703	-	-	45,011
	64,553	12,867	-	-	77,420
Miller, George A., Lectureship					
Earnings net of expenditures	45,199	1,683	-	-	46,882
Realized and unrealized gains and losses	48,335	16,982	-	-	65,317
	93,534	18,665	-	-	112,199
Library Endowment					
Earnings net of expenditures	747	28	-	-	775
Realized and unrealized gains and losses	549	193	-	-	742
	1,296	221	-	-	1,517
General Endowment - Scholarship					
Earnings net of expenditures	(1,341,392)	22,557	(75,733)	-	(1,394,568)
Realized and unrealized gains and losses	1,617,705	250,037	-	-	1,867,742
	276,313	272,594	(75,733)	-	473,174
General Endowment - Unrestricted					
Earnings net of expenditures	(3,698,750)	49,121	(130,783)	-	(3,780,412)
Realized and unrealized gains and losses	4,070,574	497,511	-	-	4,568,085
	371,824	546,632	(130,783)	-	787,673
Total Investment Earnings From Donor-Restricted Endowments - Temporary in Nature	807,520	850,979	(206,516)	-	1,451,983
Other Restricted Net Assets (Temporary in Nature):					
Facilities usage - time restricted	1,800,000	1,800,000	(1,800,000)	-	1,800,000
Other	51,271	-	(43,405)	-	7,866
Total Other Net Assets With Restrictions (Temporary in Nature)	1,851,271	1,800,000	(1,843,405)	-	1,807,866
Total Net Assets With Donor Restrictions (Temporary in Nature)	$ 2,658,791	$ 2,650,979	$ (2,049,921)	$ -	$ 3,259,849
Total Net Assets With Donor Restrictions (Temporary in Nature and Permanent in Nature)	$ 7,125,810	$ 2,650,979	$ (2,047,149)	$ 40,892	$ 7,770,532
Total Net Assets Without Donor Restrictions, as restated	$ 4,192,494	$ -	$ -	$ 869,210	$ 5,061,704