Certified Public Accountants
& Consultants

JACKSON THORNTON

Southern Poverty Law Center, Inc. and SPLC Action Fund
October 31, 2023
Consolidated Financial Statements

JACKSON THORNTON

Southern Poverty Law Center, Inc.

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JACKSON THORNTON

Independent Auditor's Report

The Board of Directors
Southern Poverty Law Center, Inc.
Montgomery, Alabama

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Southern Poverty Law Center, Inc. (the Center) and Affiliate, which comprise the consolidated statement of financial position as of October 31, 2023, the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Southern Poverty Law Center, Inc. and Affiliate, as of October 31, 2023, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Center's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

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

Jackson Thornton & Co. PC

Montgomery, Alabama
January 2, 2024

Southern Poverty Law Center, Inc.
Consolidated Statement of Financial Position
October 31, 2023

Operating and Action Funds

Assets	
Cash and cash equivalents	$ 7,908,506
Contributions receivable	4,310,103
Other receivables	894,247
Inventories	106,212
Prepaid expenses	3,723,638
Investments	
Building fund reserve	19,247,352
Gift annuity	9,498,567
Other	21,192,618
Right of use leased asset	8,448,871
Land, buildings, and equipment, net	16,757,603
Total operating and action funds assets	$ 92,087,717
Liabilities and Net Assets	
Accounts payable and accrued liabilities	$ 7,300,836
Gift annuity	7,080,757
Lease obligation	8,448,871
Long-term debt	15,000,000
Total operating and action funds liabilities	37,830,464
Net assets without donor restrictions	
Operating and action funds	32,308,534
Board restricted building fund reserve - operating fund	19,139,880
Total net assets without donor restrictions - operating and action funds	51,448,414
Net assets with donor restrictions - operating fund	2,808,839
Total operating and action funds net assets	54,257,253
Total operating and action funds liabilities and net assets	$ 92,087,717

Continued on the next page.

Southern Poverty Law Center, Inc.
Consolidated Statement of Financial Position
October 31, 2023

Endowment Fund

Assets	
Investments	$ 662,380,450
Net Assets	
Net assets without donor restrictions - endowment fund	$ 658,137,795
Net assets with donor restrictions - endowment fund	4,242,655
Total endowment fund net assets	$ 662,380,450

Continued on the next page.

Southern Poverty Law Center, Inc.
Consolidated Statement of Financial Position
October 31, 2023

Totals

Assets	
Total operating and action funds (including land, buildings, and equipment)	$ 92,087,717
Total endowment fund	662,380,450
Total assets	$ 754,468,167
Liabilities and Net Assets	
Total operating and action funds liabilities	$ 37,830,464
Total liabilities	37,830,464
Net assets without donor restrictions	
Operating and action funds	51,448,414
Endowment fund	658,137,795
Total net assets without donor restrictions	709,586,209
Net assets with donor restrictions	
Operating fund	2,808,839
Endowment fund	4,242,655
Total net assets with donor restrictions	7,051,494
Total net assets	716,637,703
Total liabilities and net assets	$ 754,468,167

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

Southern Poverty Law Center, Inc.
Consolidated Statement of Activities
For the Year Ended October 31, 2023

Operating and Action Funds

Changes in Net Assets Without Donor Restrictions from Operating and Action Funds	
Operating and action funds support and revenue	
Public support	
Contributions	$ 104,433,082
Grants	6,165,056
Total public support	110,598,138
Revenue	
Investment income (excluding endowment), net	2,509,565
Other	2,994,622
Total revenue	5,504,187
Total operating and action funds support and revenue	116,102,325
Net assets released from restrictions	451,741
Total public support, revenue, and net assets released from restrictions	116,554,066
Operating and action funds expenses	
Program services	
Legal services	39,506,982
Public education	46,409,828
Total program services	85,916,810
Supporting services	
Management and general	17,438,112
Development	17,672,323
Total supporting services	35,110,435
Total operating and action funds expenses	121,027,245
Changes in net assets without donor restrictions from operating and action funds	(4,473,179)
Changes in Net Assets With Donor Restrictions Operating and Action Funds	
Operating and action funds support and revenue	
Contributions and grants	962,500
Net assets released from restrictions	(451,741)
Changes in net assets with donor restrictions from operating and action funds	510,759
Changes in Net Assets from Operating and Action Funds	(3,962,420)
Transfer to Endowment Fund	(100,661)
Transfer from Endowment Fund - Impact Initiatives	7,423,124
Net Assets at Beginning of Year	50,897,210
Net Assets at End of Year	$ 54,257,253

Continued on the next page.

Southern Poverty Law Center, Inc.
Consolidated Statement of Activities
For the Year Ended October 31, 2023

Endowment Fund

Changes in Net Assets Without Donor Restrictions from Endowment Fund	
Endowment fund revenue	
Investment income, net	$ 30,323,467
Total endowment fund revenue	30,323,467
Changes in net assets without donor restrictions from endowment fund	30,323,467
Changes in Net Assets from Endowment Fund	30,323,467
Transfer from Operating Fund	100,661
Transfer to Operating Fund - Impact Initiatives	(7,423,124)
Net Assets at Beginning of Year	639,379,446
Net Assets at End of Year	$ 662,380,450

Continued on the next page.

Southern Poverty Law Center, Inc.
Consolidated Statement of Activities
For the Year Ended October 31, 2023

	Totals
Changes in Net Assets Without Donor Restrictions	
Changes in net assets without donor restrictions from operating and action funds	$ (4,473,179)
Changes in net assets without donor restrictions from endowment fund	30,323,467
Changes in net assets without donor restrictions	25,850,288
Changes in Net Assets With Donor Restrictions	
Changes in net assets with donor restrictions from operating and action funds	510,759
Total Changes in Net Assets	26,361,047
Net Assets at Beginning of Year	690,276,656
Net Assets at End of Year	$ 716,637,703

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

Southern Poverty Law Center, Inc.
Consolidated Statement of Cash Flows
For the Year Ended October 31, 2023
Increase (Decrease) in Cash and Cash Equivalents

	Operating and Action Funds	Endowment Fund	Totals
Operating Activities			
Cash received for public support	$ 110,866,148		$ 110,866,148
Cash received for services and materials	209,533		209,533
Cash received from other sources	2,728,985		2,728,985
Cash payments for operating expenses	(62,746,225)	$ (1,032,000)	(63,778,225)
Cash payments for employee salaries and benefits	(55,940,907)		(55,940,907)
Interest and dividend income	1,559,607	2,959,085	4,518,692
Net cash from (used for) operating activities	(3,322,859)	1,927,085	(1,395,774)
Investing Activities			
Purchase of investments	(68,911,537)	(314,487,770)	(383,399,307)
Proceeds from sale of investments	50,505,802	319,883,148	370,388,950
Purchase of property and equipment	(2,793,015)		(2,793,015)
Net cash from (used for) from investing activities	(21,198,750)	5,395,378	(15,803,372)
Financing Activities			
Operation transfers in (out)	7,322,463	(7,322,463)	
Payments made to gift annuitants	(790,478)		(790,478)
Cash received for new gift annuities	380,000		380,000
Net cash from (used for) financing activities	6,911,985	(7,322,463)	(410,478)
Net Decrease in Cash and Cash Equivalents	(17,609,624)		(17,609,624)
Cash and Cash Equivalents at Beginning of Year	25,518,130		25,518,130
Cash and Cash Equivalents at End of Year	$ 7,908,506	$ -	$ 7,908,506

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

Southern Poverty Law Center, Inc.
Consolidated Statement of Functional Expenses
For the Year Ended October 31, 2023

	Program Services			Supporting Services			
	Legal Services	Public Education	Total	Management and General	Development	Total	Total Expenses
Operating and Action Funds							
Salaries and related expenses	$ 25,089,318	$ 17,565,914	$ 42,655,232	$ 7,698,991	$ 6,316,001	$ 14,014,992	$ 56,670,224
Contract labor	113,516	227,744	341,260	46,674	51,521	98,195	439,455
Legal case expense	2,043,146		2,043,146				2,043,146
Impact initiatives	570,088	8,545,455	9,115,543				9,115,543
Professional services and fees	2,615,720	1,050,057	3,665,777	2,851,313	740,549	3,591,862	7,257,639
Office equipment and supplies	260,446	333,525	593,971	186,590	138,879	325,469	919,440
Rent	1,331,973	412,838	1,744,811	219,805	109,904	329,709	2,074,520
Utilities, telephone, and maintenance	535,705	730,720	1,266,425	228,677	236,177	464,854	1,731,279
Library expense	375,716	94,652	470,368	13,783	55,424	69,207	539,575
Insurance	142,461	481,064	623,525	544,287	119,208	663,495	1,287,020
Investigation and support	118,097	324,299	442,396				442,396
Staff development and training	1,173,688	892,552	2,066,240	416,808	263,254	680,062	2,746,302
Travel and related expense	175,103	210,687	385,790	74,703	38,632	113,335	499,125
Postage	896,877	2,013,000	2,909,877	1,839,886	2,601,515	4,441,401	7,351,278
Printing	394,660	920,873	1,315,533	816,200	1,658,420	2,474,620	3,790,153
Lettershop expense	604,876	1,411,377	2,016,253	1,103,320	2,088,955	3,192,275	5,208,528
Other development costs	489,355	1,107,925	1,597,280	685,211	2,491,799	3,177,010	4,774,290
Educational publications	554,315	2,027,268	2,581,583		538,248	538,248	3,119,831
Other educational projects	1,607,647	7,021,537	8,629,184				8,629,184
Interest expense				488,408		488,408	488,408
Depreciation expense	414,275	1,038,341	1,452,616	223,456	223,837	447,293	1,899,909
Total operating and action funds expenses	$ 39,506,982	$ 46,409,828	$ 85,916,810	$ 17,438,112	$ 17,672,323	$ 35,110,435	$ 121,027,245

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

Note 1 - The Center
The Southern Poverty Law Center, Inc. (the Center) is a nonprofit corporation whose vision and mission statements are as follows:

Vision Statement - A world in which everyone can thrive and the ideals of equity, justice, and liberation are a reality for all.

Mission Statement - To be a catalyst for racial justice in the South and beyond, working in partnership with communities to dismantle white supremacy, strengthen intersectional movements, and advance the human rights of all people.

The Center has identified four programmatic areas of work that pose the greatest opportunities to achieving its mission. The Center has prioritized these areas of work in order to achieve maximum impact on its goals, including eradicating poverty, decriminalizing and decarcerating Black and brown people, protecting voting rights and civic engagement, and dismantling white nationalism and protecting democracy.

Note 2 - Summary of Significant Accounting Policies
Principles of consolidation - The consolidated financial statements include the accounts of the Center and SPLC Action Fund (Action Fund), collectively, the Organization. The Action Fund is consolidated since the Center has both an economic interest in the Action Fund and control of the Action Fund through a majority voting interest in its governing board. All material intra-entity transactions have been eliminated. The Action Fund controls two political action committees through a majority voting interest in its governing boards. The political action committees are not consolidated due to a lack of economic interest.

Basis of presentation - The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net asset categories - The Organization reports its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions.

Net assets with donor restrictions - Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. Assets maintained in perpetuity are invested in the Center’s Endowment Fund. The donors of these assets permit the Center to use the income earned for operations.

Net assets without donor restrictions - Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in it corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. Certain net assets classified as without donor restrictions may be designated for specific purposes by action of the Board of Directors.

Fund groups - The Organization reports its financial position and activities in the following fund groups:

Operating and Action Funds - The Operating and Action Funds account for the resources over which management has discretionary control to use in carrying on the general operations of the Center and the Action Fund.

Endowment Fund - The Endowment Fund contains assets of the Center that are segregated from the Center’s operating fund and that are restricted by donors for permanent investment or designated by the Center’s Board of Directors for the future support of the Center’s programs and activities. Board approval is required for any expenditure or transfer from the Endowment Fund.

Note 2 - Summary of Significant Accounting Policies (continued)

Fair value measurements - Fair value generally represents the price that would be received at the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy that prioritizes inputs used to measure fair value into three levels:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date.

Level 2 - Prices that are based on other than exchange-quoted prices in active markets, which are either directly or indirectly observable as of the reporting date.

Level 3 - Pricing inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information available and may require significant management judgment or estimation.

Investment valuation - In determining fair value, the Center utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. Investments in marketable securities traded on a national securities exchange and investments in United States government securities are stated at fair value based on the last reported sales price on the valuation date. The Center uses net asset values reported by fund managers as a practical expedient to report the fair values of its investments held through limited partnerships and other funds.

Investment securities are exposed to various risks, such as interest rate, market, liquidity, valuation, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the consolidated statement of financial position and the consolidated statement of activities.

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

Gift annuities - The Center has entered into agreements with donors in which the donor contributes assets to the Center in exchange for distributions of a fixed amount for a specified period of time to the donor or other beneficiaries. The assets are contributed directly to the Center and are held as general assets of the Center, and the related annuity liability is recorded as a general obligation of the Center. The difference between the fair value of the assets received and the liability to the beneficiary is recognized in the consolidated statement of activities as a contribution in the period the annuity agreement is executed. On an annual basis, the Center uses actuarial assumptions to revalue the gift annuity liability to the beneficiaries. The change in the value of the agreements is also recognized in the consolidated statement of activities. The gift annuity liability is calculated using prevailing discount rates at the time the gifts were made, ranging from .4% to 9.6%, and rates based on applicable mortality tables.

Note 2 - Summary of Significant Accounting Policies (continued)

Cash equivalents - For purposes of the consolidated statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization excludes those cash equivalents that are invested for the gift annuity program and those that are in the endowment fund investment portfolio.

Cash and cash funds - The Organization maintains its cash in bank deposit accounts in amounts that exceed federally insured limits. The Organization maintains cash funds in money market fund accounts with several brokerage firms that exceed the Securities Investor Protection Corporation (SIPC) insured limits. The SIPC covers up to $250,000 of the money market funds with each firm. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash funds.

Inventories - Supplies and publication inventories are priced at cost using the first-in, first-out (FIFO) inventory method.

Fixed assets - All expenditures for land, buildings, and equipment and the fair value of donated property and equipment are capitalized.

Depreciation of buildings and improvements is established by using the straight-line method over the estimated lives of 10 to 40 years. Depreciation on furniture and equipment is established by using the straight-line method over the estimated useful lives of three to 10 years.

Leases - The Center determines if an arrangement contains a lease at inception. For purposes of calculating lease obligations under the standard, the lease terms may include options to extend or terminate the lease when it is reasonably certain the Center will exercise such option. The Center's leases do not contain material residual value guarantees.

The discount rate used to measure a lease obligation should be the rate implicit in the lease; however, the Center's leases generally do not provide an implicit rate. Accordingly, the Center uses its incremental borrowing rate at lease commencement to determine the present value of lease payments. The incremental borrowing rate is an entity-specific rate which represents the rate of interest a lessee would pay to borrow on a collateralized basis over a similar term with similar payments.

Grants payable - Conditional grants are expensed and considered payable in the period the conditions are substantially satisfied. The Organization records grants payable for all unconditional grants that have been authorized prior to year end, but remain unpaid as of the consolidated statement of financial position date. There were no unconditional grants outstanding at October 31, 2023.

Joint costs - Activities and the production of materials which combine development, education, and management functions are allocated to the program and supporting services on the basis of the content of the material, the reason for its distribution, and the audience to whom it is delivered.

The Center incurred joint costs of $15,735,514 for educational materials and activities as part of fundraising appeals during the year ended October 31, 2023. Of those costs, $4,326,605 was allocated to management and general expense, $3,970,511 was allocated to development expense, and $7,438,398 was allocated to program expense.

Income taxes - The Center is a tax-exempt organization under Internal Revenue Code Section 501(c)(3). In addition, the Center qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Action Fund is a tax-exempt organization under Internal Revenue Code Section 501(c)(4). Accordingly, no provision for income taxes is made in the consolidated financial statements.

Use of estimates - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 3 - Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date comprise, the following:

Cash and cash equivalents	$	7,908,506
Contributions receivable		3,845,066
Other receivables		373,703
Other investments		21,192,618
	$	33,319,893

The Center's Endowment Fund consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure. The Board-designated endowment of $658,137,795 is subject to an annual spending rate as described in Note 11. Amounts appropriated for expenditure from the endowment require prior approval by the Board.

As of October 31, 2023, the Board of Directors restricted $19,247,352 as a building reserve fund as described in Note 8. Amounts appropriated for expenditure from the building reserve fund require prior approval by the Board.

The Center has an available line of credit in the amount of $25,000,000.

Note 4 - Contributions Receivable

Contributions receivable are summarized as follows at October 31, 2023:

Unconditional Promises Expected to be Collected in		
Less than one year	$	2,343,802
One year to five years		272,247
More than five years		1,124,388
Less discounts to net present value		(931,598)
Total unconditional promises to give		2,808,839
Bequests Receivable		1,501,264
Net contributions receivable	$	4,310,103

Management reviews contributions receivable on an annual basis and those considered uncollectible are deducted from income. Uncollectible contributions are identified on the basis of management's consideration of current relationships with corporate, individual, and foundation donors and their ability to pay. Management considers all current contributions receivable to be collectible. Therefore, no allowance for uncollectible contributions has been made.

Note 5 - Investments

The Center's investments are presented in the consolidated statement of financial position in the aggregate at fair value and include the following at October 31, 2023:

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	NAV as a Practical Expedient (a)	Total
Operating Fund				
Cash funds	$ 919,050			$ 919,050
Fixed income				
Bond mutual funds	19,209,788			19,209,788
U.S. treasury securities money market	20,285,963			20,285,963
Public equities				
U.S. equities	151,766	$ 5,683,188		5,834,954
Equity mutual funds	3,688,782			3,688,782
Total operating fund	44,255,349	5,683,188		49,938,537
Endowment Fund				
Cash funds	18,156,780			18,156,780
Fixed income				
U.S. bond funds	37,638,723			37,638,723
U.S. treasury inflation protection securities	13,316,617			13,316,617
Investments measured at net asset value			$ 593,268,330	593,268,330
Total endowment fund	69,112,120		593,268,330	662,380,450
Totals	$ 113,367,469	$ 5,683,188	$ 593,268,330	$ 712,318,987

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statements of financial position.

Note 5 - Investments (continued)

The Center's investment objectives guide its asset allocation policy and are achieved by investing with external investment managers operating through a variety of investment vehicles, including separate accounts, commingled funds managed by investment companies, and limited partnerships. The table below provides additional information of investments of the Center that have components that are valued using net asset value:

	Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
Public equities (a)				
U.S. equity funds	$ 120,893,221		Daily, monthly, calendar quarter	1 - 90 days
Non-U.S. equity funds	127,136,261		Daily, monthly, calendar quarter, semi-annually	1 - 60 days
Private equity funds (b)	246,499,324	$ 163,112,950		
Marketable alternative funds (c)				
Arbitrage funds	26,583,008		Annually	60 - 90 days
Multi-strategy funds	72,156,516		Weekly, monthly, semi-monthly, calendar quarter, semi-annually, annually	10 - 180 days
Total endowment fund	$ 593,268,330	$ 163,112,950		

(a) Public equities include investments in publicly traded stocks of domestic and international companies.

(b) Private equity includes investments in buyouts, venture capital, and distressed companies. These assets are invested through fund of funds investments and limited partnerships which involve multi-year commitments ranging from 10 to 13 years.

(c) Marketable alternatives include investments in a variety of hedge funds which employ strategies including long-short equity, absolute return, risk arbitrage, event driven, and distressed securities. In addition to investing in exchange traded equity and debt securities, these funds may invest in private equity, commodities, and real estate, and may include the use of options, futures, and other derivative instruments, principally for the purpose of hedging risk rather than speculation. These investments are typically managed by investment companies which have restrictions that limit (1) the Center's ability to withdraw capital from such investments during a specified period of time subsequent to the initial investment, and/or (2) the amount of capital the Center may withdraw as of a particular date. Investments in marketable alternatives generally limit redemptions to monthly, quarterly, semi-annually, or longer, at fair value and require between 10 and 180 days' notice.

Investment return is made up of the following at October 31, 2023:

Operating Fund		
Interest and dividend income	$	1,559,607
Net realized and unrealized gain		949,958
Total investment income	$	2,509,565

Endowment Fund		
Interest and dividend income	$	2,959,085
Net realized and unrealized gain		28,396,382
Investment fees		(1,032,000)
Total investment income	$	30,323,467

Note 6 - Land, Buildings, and Equipment

At October 31, 2023, land, buildings, and equipment are presented at cost less accumulated depreciation and consist of the following:

Land	$	869,682
Buildings and improvements		30,997,598
Civil rights memorial		1,102,188
Furniture and equipment		9,256,501
Total cost		42,225,969
Less accumulated depreciation		25,468,366
Net	$	16,757,603

Note 7 - Long-Term Debt

The Center's office building is financed through tax-exempt variable rate demand revenue (Series 2013) bonds issued by the Montgomery Downtown Redevelopment Authority (the Authority), in the aggregate principal amount of $15,000,000. The bonds were issued pursuant to a trust indenture (the Indenture) dated November 1, 2013. The bonds are limited obligations of the Authority and are payable solely from and secured by a pledge of payments to be made by the Authority under an Agreement of Sale (the Agreement) between the Authority and the Center. The Center is purchasing the facility under the Agreement dated as of March 1, 1999, amended November 1, 2013. Under the terms of the Agreement, the Center is required to make monthly payments to the Trustee, sufficient to pay interest on the bonds. The Series 2013 bonds were issued November 1, 2013 to refund the Series 2000 bonds.

The bonds bear interest at a variable rate and interest is due on a monthly basis. The principal on the bonds matures March 1, 2038. The bonds may be redeemed at either the option of the Center or the bondholders under certain conditions pursuant to the terms of the Indenture.

Note 8 - Net Assets
At October 31, 2023, the net assets with donor restrictions consist of the following:

Subject to expenditure for specified purpose	$ 2,205,938
Subject to the passage of time	602,901
Endowments restricted by donors in perpetuity	4,242,655
Total net assets with donor restrictions	$ 7,051,494

As of October 31, 2023, the Board of Directors restricted $19,247,352 as a building reserve fund to be used for the relocation of the office(s) to be centered in the communities served by the Center. The goal is for the new office space(s) to be used as a tool to advance the mission and impact goals of the Center. Since that amount resulted from an internal restriction and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

Note 9 - Retirement Plan
The Organization has a 401(k) Retirement Plan for its employees. For the year ended October 31, 2023, the Plan provided a 6% employer contribution regardless of the employee contribution, and an additional 100% employer match of employee contributions up to 4% of salary. The Organization's total retirement Plan expense for 2023 was $3,840,090.

Note 10 - Functional Allocation of Expenses
The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis. The functional allocation of compensation expenses is estimated for expense line items based on the amount of time each employee spends in a particular program, fundraising, or administrative role. Other expenses are allocated based on the department's allocations which are derived from the total allocations by employee from that department.

Note 11 - Endowment Fund
The Center has classified its Endowment Fund net assets as follows:

- *Net assets with donor restrictions* contain donor-imposed stipulations. Some donor-imposed stipulations neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Center and primarily consist of the historic dollar value of contributions to establish or add to donor-restricted endowment funds. Some funds contain donor-imposed stipulations as to the timing of their availability or their use for a particular purpose. These net assets are released from restrictions when the specified time elapses or the required actions have been taken to meet the restrictions.

- *Net assets without donor restrictions* contain no donor-imposed restrictions and are available for the general operations of the Center. These assets may be designated by the Center for specific purposes, including functioning as endowment funds.

The Center's Endowment Fund includes both donor-restricted funds and funds without donor restrictions designated by the Board of Directors to function as general endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 11 - Endowment Fund (continued)

Change in endowment net assets for the year ended October 31, 2023:

	Without Donor Restrictions (Board-designated)	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 635,236,790	$ 4,142,656	$ 639,379,446
Investment return, net	30,083,647	239,820	30,323,467
Appropriated for expenditure	239,820	(239,820)	
Transfer from Operating Fund	662	99,999	100,661
Transfer to Operating Fund - Impact Initiative	(7,423,124)		(7,423,124)
Total change in endowment funds	22,901,005	99,999	23,001,004
Endowment net assets, end of year	$ 658,137,795	$ 4,242,655	$ 662,380,450

Relevant law - The Board of Directors of the Center has interpreted the Alabama Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted Endowment Fund that is not retained in perpetuity is subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

1. The duration and preservation of the fund.
2. The purpose of the Center and the donor-restricted Endowment Fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Center.
7. The investment policies of the Center.

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 also seeking to maintain the purchasing power of the endowment assets, including both donor-restricted and Board-designated funds. Under the Center's investment policy, the endowment assets are invested in a manner to attain an average annual real return, net of investment management fees, at least equal to the spending rate measured over a 5 year period. The secondary objective is to obtain annualized returns in excess of the policy portfolio's blended benchmark as selected by the Investment Committee measured over a rolling 5 year period.

Strategies employed for achieving objectives - The Center targets a diversified asset allocation made up of public and private equity, hedge funds, fixed income, and real assets to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objectives relate to spending policy - The Center invests its endowment funds in accordance with the total return concept, emphasizing long-term expected investment performance, including income from interest, dividends, capital gains, and other distributions. The Board of Directors established a policy allowing annual distributions for operating purposes of up to 4.5% of the 12-quarter rolling average market value of the endowment; however, the actual distributions from the endowment can be made only with Board approval.

Note 12 - Fair Value of Financial Instruments
The carrying amounts of cash and cash equivalents, other receivables, and accounts payable approximate fair value because of the short maturity of these financial instruments.

The fair value of investments is based on the quoted market values for marketable securities and estimated fair value for other investments. The carrying amount of long-term debt approximates fair value because that financial instrument bears interest at variable rates that approximate current market rates for debt with similar maturities and credit quality. The carrying amount of liabilities under split-interest agreements is based on actuarial valuation and approximates fair value.

Fair values of financial instruments at October 31, 2023 are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	NAV as a Practical Expedient (a)	Total
Contributions receivable		$ 4,310,103		$ 4,310,103
Investments	$ 113,367,469	5,683,188	$ 593,268,330	712,318,987
Gift annuity liability		7,080,757		7,080,757
Long-term debt		15,000,000		15,000,000

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statements of financial position.

Note 13 - Impact Initiatives - Protecting Voting Rights and Civic Engagement
During the year ended October 31, 2020, the Board of Directors approved $30 million from the Endowment Fund for the Vote Your Voice initiative to help support voter registration and mobilization efforts in Alabama, Florida, Georgia, Louisiana, and Mississippi. The Vote Your Voice campaign seeks to empower communities of color by aiding them in their fight against voter suppression; support Black- and brown-led voter outreach organizations often ignored by traditional funders; support and prototype effective voter engagement strategies; and re-enfranchise returning citizens despite intentional bureaucratic challenges.

With voting rights under attack across the Deep South, the Board of Directors approved a $100 million investment from the Endowment Fund over the next decade to support voter outreach and civic engagement organizations in Alabama, Florida, Georgia, Louisiana, and Mississippi. The commitment represents a historic pledge of resources to multiracial democracy initiatives in the South and marks a more-than-threefold increase over the SPLC's initial commitment of $30 million to the Vote Your Voice initiative, pledged in 2020.

In addition to the Vote Your Voice initiative, in 2021, the Board of Directors approved $10 million from the Endowment Fund to support non-partisan redistricting in the South over the next two years. The funds provided communities on the ground needed resources to develop infrastructure, communications, data collection and analysis. During the year ended October 31, 2023, the Board of Directors approved two initiatives: 1) a $550,000 2-year grant to support a redistricting app used by communities across the country to propose plans that are fair and promote racial equity as a goal and 2) a $2 million grant out of our building fund to support our organizational commitment to building offices and community space in the communities we seek to serve. This grant supports low-income housing development on the Westside of Atlanta.

The Board of Directors has designated, from net assets without donor restrictions, funds for the Vote Your Voice and Redistricting in the South initiatives. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions. The total Vote Your Voice expense for the year ended October 31, 2023 was $6,137,580 (total for three years $27,896,514).

Note 14 - Subsequent Events
The Center has evaluated subsequent events through January 2, 2024, which is the date these consolidated financial statements were available to be issued. On December 7, 2023, the Center closed on a 2.5 acre parcel located in Atlanta, Georgia amounting to $10,200,000, paid out of the building fund reserve. The establishment will be the site of the Center's future Atlanta office. The Center will begin site improvements immediately.