



Southern Poverty Law Center  
2007 Annual Report

**A MESSAGE FROM  
MORRIS DEES AND RICHARD COHEN**

**SINCE OUR FOUNDING IN 1971**, the Southern Poverty Law Center has fought for the most vulnerable people in our society — the exploited, the powerless and the forgotten. We've torn down institutional racism in the South and have touched the lives of millions by combating bigotry and injustice and standing up for those who have no other champions.

In 2007, we once again had a major impact in our nation's courts and classrooms.

We uncovered the activities of hundreds of hate groups across the country and took one of the most violent to court.

We exposed the bigotry and demagoguery that has infected the immigration debate.

We stood up for the human rights of migrant workers who are subjected to an appalling array of indignities by unscrupulous employers.

We expanded our path-breaking work on behalf of troubled, mostly impoverished children by launching a new national campaign, the School-to-Prison Reform Project, to ensure that youths get the educational help they need to stay in school and out of prison.

And we reached out to millions of schoolchildren with award-winning educational kits that teach tolerance and understanding.

Here are some of the highlights of our work in 2007:

- We documented a 48 percent rise in the number of hate groups since 2000, a staggering increase driven by the ugly anti-immigrant rhetoric that has infiltrated the mainstream media and poisoned the immigration debate. We took the Imperial Klans of America

to court for the brutal beating of a teenager. And we mounted a campaign to debunk the myths and conspiracy theories that demean and dehumanize Latino immigrants.

- In the courts, we won a landmark ruling on behalf of exploited workers in post-Katrina New Orleans and secured justice for systematically abused migrant workers in the forestry industry, resulting in important labor reforms.

- In the groundbreaking report *Close to Slavery*, we documented the shameful exploitation of foreign workers who come to the United States as part of the nation's "guestworker" program and testified before Congress about the need to reform this system. The report established the SPLC as a leading expert on guestworker abuse and helped change the terms of the immigration debate.

- We exposed and rectified a terrible injustice in rural East Texas, where a mentally challenged black man suffered permanent brain damage when he was knocked unconscious and dumped along a country road by four young white men. A jury awarded Billy Ray Johnson \$9 million in the lawsuit we brought after the local criminal justice system let the attackers off with mere slaps on the wrist.

- Our award-winning Teaching Tolerance program reached students across the country with classroom kits and materials designed to teach lessons of tolerance and foster nurturing school environments. We provided our magazine, *Teaching Tolerance*, to more than 400,000 educators last year, and 4 million students par-

ticipated in our Mix it Up at Lunch Day. In response to racial turmoil in Jena, La., we distributed to educators a set of strategies to address bias incidents at school.

These are just a few of our accomplishments in 2007. Please take time to read our entire annual report to see the many ways we are combating hate and injustice.

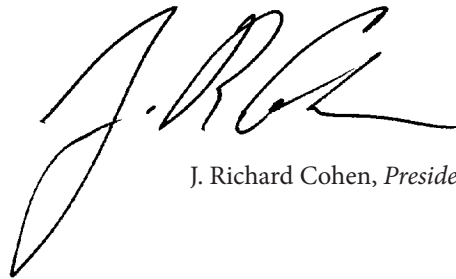
Our work is possible only because of the generosity of hundreds of thousands of individuals who share

our commitment to justice. Many of our supporters were among the thousands who visited the Civil Rights Memorial Center at our offices in 2007 and signed the Wall of Tolerance, pledging to stand against hate, injustice and intolerance in their daily lives. We are deeply grateful for our members' support, and we promise to honor their commitment by continuing to fight for justice in 2008 and beyond.

Very truly yours,

A handwritten signature in black ink that reads "Morris Dees". The signature is fluid and cursive, with the first letter of each word being capitalized and prominent.

Morris Dees, *Chief Trial Counsel*

A handwritten signature in black ink that reads "J. Richard Cohen". The signature is highly stylized and cursive, with the first letter of each name being very large and prominent.

J. Richard Cohen, *President*

# Fighting Hate

The SPLC's Intelligence Project monitors hate groups and extremist activity in all 50 states and provides comprehensive updates to law enforcement, government agencies, the media, scholars, policymakers and the general public through its quarterly investigative journal *Intelligence Report*, two e-newsletters, onsite presentations and the SPLC website. In 2007, the project documented a 48 percent rise in the number of hate groups since 2000, increased its coverage of nativist influence on the immigration debate, provided investigative support for a new SPLC lawsuit against the Imperial Klans of America, and exposed new areas of the radical right. In an effort to make its information more accessible to the public, the Intelligence Project also launched a blog to disseminate timely information about extremists.

## **Exploiting the immigration debate, hate groups on the rise**

Energized by the rancorous national debate about immigration and increasingly successful at penetrating mainstream political discourse, hate groups operating in the United States rose in number to 888 in 2007, up 5 percent over 2006. The increase capped a remarkable 48 percent jump in the number of groups since 2000, when there were 602 groups.

These groups have exploited and been nurtured by the ugly anti-immigration rhetoric that is increasingly common in the public square. It is typically entirely false or wildly exaggerated, very often originates in hate groups and almost certainly leads to criminal hate crime

violence. Anti-immigration propaganda also is the most obvious manifestation of extremism in U.S. political life, and in 2007, it was the Intelligence Project's most important focus.

For the first time, the Intelligence Project designated the Federation for American Immigration Reform as a hate group. This organization is one of the most influential anti-immigration groups in the U.S. and enjoys a reputation as a mainstream organization, but it has deep roots in the white supremacist movement.

## **Monitoring nativist extremists, challenging**

### **Lou Dobbs**

In 2007, the SPLC compiled a list of 144 "nativist extremist" groups, groups that do not qualify as hate groups because they don't have explicitly racist or similar ideological positions but that harass and intimidate people perceived to be immigrants rather than merely targeting immigration policies. The list gives the mainstream media a way of accurately describing the more virulent nativist groups.

The SPLC also challenged CNN anchor Lou Dobbs, who is probably the American who has done more than any other to defame immigrants. Dobbs represents the worst of the contemporary media, a prominent newsman who uses his position to push falsehoods and conspiracy theories about immigrants. While the lengthy "SPLC vs. Dobbs" media battle was focused on a single false claim — that 7,000 new cases of leprosy had appeared in America, largely due to "illegal" immigrants, during a recent three-year period — that claim stood in for the many

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similar falsehoods promoted by Dobbs and his ilk. The real number of leprosy cases was 398.

After two television debates, quarter-page ads in major dailies and much media coverage, the SPLC message prevailed. This was reflected in a *New York Times* article that concluded that Dobbs has “a somewhat flexible relationship with reality.” Dobbs also became the butt of jokes on late-night comedy shows.

### **Taking on the Klan**

After the SPLC filed suit in February 2007 against two Klansmen who savagely beat a teenage boy at a carnival in Kentucky, Intelligence Project chief investigator Joe Roy dug up important new evidence that made it possible to add the Imperial Klans of America and its leaders as defendants. Based on Roy’s investigation, the amended lawsuit alleges the IKA leadership organized a recruiting drive at the fair during which several members handed out business cards and flyers advertising a “white only” IKA event. The lawsuit contends that IKA officers should have known that their members, given their intense hatred of racial and ethnic minorities, would likely provoke a violent confrontation at the fair.

### **Exposing new areas of the radical right**

In January, the SPLC published in the *Intelligence Report* its findings on “radical traditionalist Catholics,” breaking new ground and identifying a group of some 100,000 previously unnoticed anti-Semites. The radical traditionalist movement, which is not affiliated with the Roman Catholic Church, is shot through with anti-Semitism. The SPLC’s three-year investigation found that these Catholic extremists may well represent the largest population of anti-Semites in the U.S. Follow-up reports about a local group in Richmond, N.H., and a Navy official involved in the movement helped to increase the impact of the SPLC findings.

Another groundbreaking report revealed that a violently anti-gay movement, the Watch-

men on the Walls, has sprung up in Russian-speaking churches serving thousands of Slavic immigrants in West Coast cities.

Yet another remarkable SPLC report in 2007 exposed the fact that the terrifying black supremacist Nation of Yahweh group, which has been linked to more than a score of murders and whose membership may also number in the thousands, is again on the march.

### **Project’s expertise in demand**

In recent years, the Intelligence Project has dramatically increased the level of training it offers to law enforcement personnel, and in 2007 it reached about 5,000 officers. Its staffers traveled extensively to share their expertise on hate groups, hate crimes and domestic terrorism with local, state and federal government agencies, including the Department of Justice and the FBI. By providing training specifically targeted to various law enforcement groups, the SPLC ensures that officers not only understand and care about hate-related issues but are equipped with the latest intelligence on the hate movement.

There is high demand for the SPLC’s law enforcement training, which consistently earns excellent reviews, and its federally certified trainers are already booked well into 2008.

### **Expanding SPLC’s tools**

In July, the Intelligence Project launched its new Hatewatch blog with the aim of creating a venue for releasing breaking news immediately and bringing more people into contact with its investigative work on hate groups. The blog also has allowed the SPLC’s audience to comment on the matters SPLC studies and to discuss those issues among themselves.

The blog got off to a good start. Its number of visitors grew steadily in its first months, reaching 32,000 by September. Users of the SPLC’s RSS feed, which automatically delivers new online content to those who sign up, also grew steadily, to more than 21,000 people.

# Promoting Tolerance

**T**he SPLC's Teaching Tolerance program aims to reduce prejudice among youths and improve inter-group relations in our schools. It is among the nation's leading providers of anti-bias resources, and its magazine, *Teaching Tolerance*, reaches more than 400,000 educators twice each year. In 2007, Teaching Tolerance again sponsored its successful Mix It Up at Lunch Day and released a new parenting guide. It launched a new series of web-based curriculum guides and provided advice to educators in the wake of the Jena Six controversy.

The SPLC also began to set a new course for Teaching Tolerance by committing to more emphasis on teacher professional development and increasing its focus on contemporary social justice issues. It introduced the Teaching Diverse Students Initiative, a project that will help teachers ferret out biases they might hold about students of color and implement strategies to help offset the potentially damaging effects of those biases on student achievement.

In June, the Association of Educational Publishers recognized the high quality of Teaching Tolerance products by awarding the magazine and a teaching kit its top awards.

## **Mix It Up at Lunch Day reaches millions**

Mix It Up at Lunch Day is the SPLC's nationwide program that asks students, for at least one day, to meet someone outside their usual social circle. On the sixth annual Mix It Up at Lunch Day on November 13, more than 4 million students at 10,000 schools — one in 10

nationally — took part in that challenge.

As in many of the thousands of schools around the country that participated in Mix in 2007, the breaching of barriers started well before the lunch bell at Vivian Elementary School in Lakewood, Colo. In a multi-grade classroom for special education students, a pre-Mix It Up discussion focused on whether Vivian Elementary is “welcoming to all kinds of people” or is “quick to put people into categories.” The results showed why a Mix It Up at Lunch Day is important. While some students, such as Arturo and Malik, voted for “welcoming,” others such as Jesse answered, “No! Quick, quick, quick!”

The SPLC's Mix It Up project also offers \$500 grants to support youth-directed programs and projects that address social boundaries in schools or communities throughout the school year. The Mix It Up Grants Program funds small-scale activist projects that focus on identifying, crossing and challenging social boundaries in schools and communities. In 2007, Teaching Tolerance awarded 57 Mix grants totaling \$28,500.

## **New guide helps parents address bias, stereotypes**

For more than 15 years, the SPLC's Teaching Tolerance program has helped educators nationwide reach young people with lessons of respect and understanding. In 2007, the program extended its support to children's first teachers: parents. A new guidebook, *Beyond the Golden Rule: A Parent's Guide to Preventing and Responding to Prejudice*, will help parents address the difficult issues of bias, stereotypes and racism their children face in an

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increasingly diverse world. It offers practical advice for caregivers of children in three age groups: the pre-school years (ages 2-5), the elementary and preteen years (ages 6-12) and the teen years (ages 13-17).

The book garnered praise from child-care experts. "It is a comprehensive and easily readable volume," said Dr. Kerby T. Alvy, founder and executive director of the Center for the Improvement of Child Caring in California. "*Beyond the Golden Rule* should become basic reading for all parents."

The guide is available at no cost on the SPLC's website, [www.tolerance.org/parents](http://www.tolerance.org/parents) and print copies are available at cost to children's caregivers nationwide.

### **Six Lessons from Jena**

In response to the highly publicized controversy surrounding the overly zealous prosecution of six black youths in Jena, Louisiana, the Teaching Tolerance program released a set of strategies educators can use to address bias incidents at school and defuse tensions before they erupt into violence.

Its *Six Lessons from Jena*, which is available online, helps educators evaluate the climate of their school, spot warning signs, identify bias incidents and use them as teaching moments to bring together the school and community. Within 24 hours of offering the advice, educators and advocates across the country responded with praise and action. The Maine attorney general, for example, reproduced the plan for 220 schools across that state. School boards in other states required their school principals to read it, and education colleges incorporated it into their programs.

Print copies of *Six Lessons from Jena* were provided to members of Congress when SPLC President Richard Cohen testified about the Jena controversy during a hearing of the House Judiciary Committee in October.

### **Teaching Tolerance grants have impact**

The Teaching Tolerance grants program provides financial support for exemplary, replicable tolerance projects in schools across the nation. Its funding criteria ask that the project employ "best practices" to reduce prejudice and improve inter-group relations. Since its inception in

1997, the grants program has awarded more than \$1.5 million to more than 1,000 educators to support their efforts in promoting tolerance and acceptance in the classroom. Last year, the SPLC moved its focus away from individual classroom teachers to educator groups and school-wide projects.

For example, a grant to a Northhampton, Massachusetts, teacher enabled her to implement the Family Empowerment in the Public Schools Project. Using people-oriented models and grassroots activities for family reading parties, the project dramatically energized the students, parents and schools in the entire district and inspired even more ideas and actions. The best of the Teaching Tolerance grants are highlighted in *Teaching Tolerance* magazine and on the SPLC's website.

In 2007, Teaching Tolerance funded 96 grants totaling \$158,000 and reaching more than 30,000 students.

### **New resources for teachers launched**

In an effort to provide more resources to K-12 teachers, Teaching Tolerance in 2007 launched a monthly online series called "The ABCs," an acronym for The Anti-Bias Classroom. These "mini-units" combine teacher professional development on a topic — as varied as racial disparities, religion in public school and conflict resolution — with lesson plans and other resources for classroom use.

In line with a new commitment to focus on teacher professional development, Teaching Tolerance began planning for a new project last year, designed to help teachers ferret out biases they might hold about students of color. The Teaching Diverse Students Initiative will implement strategies to help offset the potentially damaging effects of these biases on student achievement.

### **Tolerance work wins honors**

The SPLC's achievements in promoting tolerance and respect in the classroom and beyond were recognized last year when the Association of Educational Publishers (AEP) awarded a Teaching Tolerance teaching kit its top honor. *Rhinos and Raspberries: Tolerance Tales for the Early Grades* received the Golden Lamp at the AEP's annual ceremony in June, winning in the cate-

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gory for instructional materials. It was the second time that Teaching Tolerance took home the Golden Lamp since the program was created in 1991.

In addition, *Teaching Tolerance* magazine was recognized with the Distinguished Achievement Award

for Periodical of the Year, for the second consecutive year. The magazine also received three other Distinguished Achievement Awards — for design, illustration and photography. The awards are among the highest honors in the field of educational publishing.

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# Seeking Justice

**S**PLC attorneys fight to protect society's most vulnerable members, handling innovative cases that few lawyers are willing to take. In 2007, the SPLC remained in the vanguard of efforts to defend victims of injustice, increasing its commitment to juvenile justice and education reform while vigorously protecting the rights of exploited immigrants. A highlight of the year was the release of *Close to Slavery*, a comprehensive report about abuses in the federal guest-worker program that catapulted the SPLC to a leadership role on that issue. The legal department continued to expand in size, in the strategies it employs, in its geographic location and reach, and, most importantly, in its impact on social justice issues.

## **Developing new advocacy tools**

Just a few years ago, the legal department had a staff of fewer than a dozen. In 2007, its staff numbered 38, including 21 lawyers, four bilingual outreach paralegals and two community organizers. Litigation has always been a key strategic tool in the SPLC's arsenal, and it continues to be so. But advocacy tools beyond litigation — including lobbying, community organizing and public policy advocacy — are now an integral part of the SPLC's campaigns for reform. The legal department is concentrating its efforts in three areas where there are pressing social problems and opportunities to make a significant impact: immigrant rights, at-risk youth and fighting hate.

The SPLC now has a physical presence in three Deep South states — Alabama, Mississippi and Loui-

siana —and it will open an office in Georgia in 2008. Its Immigrant Justice Project has a staff of 13 and is a key national player on the rights of migrant workers. The SPLC's Mississippi Youth Justice Project, started three years ago with one lawyer, now has five lawyers among a staff of 10. It has had a dramatic impact on the lives of Mississippi's at-risk youth. The SPLC's newest initiative, the School-to-Prison Reform Project, is a national resource center based in New Orleans; its doors opened in July.

## **Protecting migrant workers from abuse**

Since its inception three years ago, the SPLC's Immigrant Justice Project has established a national reputation for its legal work on behalf of the nation's most vulnerable, isolated workers and has had a substantial regional and national impact. Its size and location make it unique among organizations doing this work; there is no other comparable group in the South. The project is also exceptional for the scope of its work: It handles substantial impact litigation, has a significant public communications role on immigrant issues and engages in legislative and administrative advocacy. While its litigation has a regional focus, its impact is felt across the nation.

The SPLC has changed the terms of the debate about guestworker issues through its litigation, the guestworker report *Close to Slavery* and Congressional advocacy. By garnering unprecedented media coverage about the abuses experienced by guestworkers, the SPLC has put the guestworker issue on the national

map. When *Close to Slavery* was released in March, *The New York Times* published commentary by Bob Herbert describing it as “stunning” and “a must-read for anyone who favors an expansion of guestworker programs in the U.S.” An Associated Press story about the report ran in more than 100 newspapers across the country. And Mary Bauer, Immigrant Justice Project director, testified in Congress in June about the abuses guestworkers routinely experience. Current efforts to reform the guestworker program are a direct result of SPLC advocacy.

#### **Reaping benefits from lawsuits**

The SPLC’s campaign to end labor abuses in the forestry industry, begun with lawsuits filed in 2005, bore fruit in 2007, obtaining justice and compensation for hundreds of workers who were illegally cheated of wages. In the past year, the SPLC has distributed more than a half-million dollars in settlement money to workers. The money has served several purposes. Workers have used the funds for basic necessities, but they also have said that recovering the money convinced them that it is possible to obtain justice in this country. The work has also had a substantial deterrent effect upon other employers who want to avoid the litigation and bad publicity experienced by defendants in SPLC’s cases.

The SPLC is also winning important legal precedents. In 2007, it won an important federal appellate court decision preserving the right of migrant workers to bring class action lawsuits. In another landmark decision, a federal judge ruled, for the first time, that H-2B guestworkers must be compensated for their travel and associated costs in their first week of work.

The substantial gains in reforming both the notoriously exploitative forestry industry and the Gulf Coast reconstruction industry reached beyond the courtroom. Forestry contractors credit the SPLC’s litigation as leverage to demand higher payments from the giant paper companies so that they can raise wages for workers. Belfor, one of the huge reconstruction corporations the SPLC sued for post-Katrina worker abuse, called for reform of subcontractor practices in a national trade magazine; this was clearly prompted by Belfor’s experience as a defendant.

A new lawsuit to stop the exploitation of migrant workers was filed in June against one of the Southeast’s largest employers of guestworkers, the tomato-packing company Candy Brand. The SPLC brought the class action on behalf of about 2,700 Mexican migrant workers who harvested and packed tomatoes and performed other agricultural work in Arkansas over the past five years. The suit alleges that Candy Brand failed to pay federally mandated overtime wages for work in its packing sheds and the prevailing wage for work in the fields. The company also refused to reimburse workers for the exorbitant travel, visa and other hiring fees they paid to obtain these jobs.

#### **Spotlighting sexual harassment of farmworker women**

Putting the issue of sexual harassment of women farmworkers on the national map and convincing the EEOC of the importance of the issue was also a focus of the SPLC’s work in 2007. In June, the Immigrant Justice Project held the first national conference devoted to this issue; it was attended by nearly 200 farmworker women, farmworker advocates and EEOC staffers. The SPLC published a “best practices” manual on how to litigate a farmworker sexual harassment case and distributed it, free of charge, to other advocates. Its staff also trained EEOC staffers and developed an ongoing relationship with a key EEOC commissioner, who agreed that the issue should be a national priority.

#### **Securing justice for victims of hate**

An important and historical component of the SPLC’s mission is fighting hate. Its litigation on behalf of victims of hate crimes helps shine a light on injustice, puts hate groups out of business, wins compensation for SPLC clients and perhaps deters others from committing hate crimes.

In April, the SPLC won a \$9 million award for Billy Ray Johnson, an African American man with disabilities who was beaten and left by a country road by four white men. The SPLC filed the suit to bring attention to the racism and injustice that’s still prevalent in America, and the case attracted much national media coverage. Jurors said afterward they hoped the verdict sends a message to children in their Linden, Texas, community and to the nation as a whole.

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The SPLC filed a new lawsuit in 2007 against the Imperial Klans of America (IKA) on behalf of a 16-year-old Latino boy, Jordan Gruver, who was severely beaten by IKA members at a county fair in Kentucky. The case is probably the SPLC's most significant lawsuit against a white supremacist group since its victory in the 2000 Aryan Nations case. The IKA is one of the largest and most notorious Klan groups in the country, and the case highlights the nationwide surge in violence against Latinos.

### **Fighting for at-risk children**

The SPLC has a longstanding commitment to protecting the rights of society's most vulnerable population — impoverished children. The SPLC's juvenile justice and education reform projects in Alabama, Louisiana and Mississippi are all aimed at improving the life chances of youths most at risk. These three states are ranked among the worst for infant mortality, child death rates, teen pregnancy rates, children in poverty, per-pupil expenditures on education, high school dropout rates and rates of incarceration. The children helped by the SPLC are poor, mostly African American youths caught up in the juvenile justice system or at great risk of ending up there. The SPLC's goal is to reduce the risks they face by focusing on improving both the front end — education — and the back end — juvenile justice — of the school-to-prison pipeline.

Through the operation of the Southern Juvenile Defender Center, which covers seven states, the SPLC has strengthened and enhanced its work by plugging into a network of juvenile justice advocates across the region. The SPLC is having both a regional and national effect through its attorney trainings. Helping other lawyers and advocates develop expertise in using federal special education law to stop the school-to-prison pipeline and bringing systemic cases on behalf of at-risk kids is a key part of the SPLC's new strategy. In 2007, SPLC education lawyers conducted attorney trainings at national conferences and are scheduled for more in 2008. Under the auspices of the Southern Juvenile Defender Center, the SPLC trained hundreds of juvenile defense lawyers throughout the South on advocating for the rights of children in delinquency cases.

The SPLC was also involved in the Jena Six case, in which six African American teenagers were over-zealously prosecuted for beating a white classmate during a period of racial tension at a high school in Louisiana. The case highlights the two-tiered system of justice that persists throughout the nation. The SPLC hired one of the finest criminal defense lawyers in Louisiana to take over one student's case and to provide leadership in the overall defense effort. In October, SPLC President Richard Cohen testified before a Congressional committee about the Jena incident.

### **Exposing abuse of teenage girls at a Mississippi lock-up**

In July, the SPLC sued the state of Mississippi to stop the physical and sexual abuse of teenage girls at the state's Columbia Training School and to force the state to provide federally required mental health and rehabilitative treatment to girls confined there.

The SPLC's legal action exposed brutal conditions at the girls' prison. Five girls represented by the SPLC had been shackled for 12 hours a day for periods up to a month. One girl had been sexually assaulted by a male employee, and several had attempted suicide while being locked in isolation for long periods. Most of the girls at the prison were there for minor, non-violent offenses like truancy or shoplifting, and many suffered from mental or emotional disorders.

Reacting to the lawsuit, the state Legislature voted in early 2008 to permanently close the prison, which had a long history of abuse.

### **Launching the School-to-Prison Reform Project**

The July launch of the SPLC's new national initiative aimed at derailing the school-to-prison pipeline is among the most significant accomplishments of the past year. One of the major goals of the new project — and much of the SPLC's education work — is the implementation of Positive Behavior Supports (PBS) in schools across the country. Unlike schools that use traditional, counterproductive disciplinary policies, schools that effectively implement PBS have lower dropout rates, fewer suspensions and expulsions, and better academic outcomes.

## SEEKING JUSTICE

### **Succeeding in Mississippi**

The fact that the school-to-prison pipeline is among the most pressing civil rights issues of our time is clearly illustrated in Mississippi, where the incarceration rate for African-American children is double that for white children. When the SPLC began its work in Mississippi three years ago, it focused on reducing the incarceration of children by diverting resources to community-based alternatives. In the past year, the SPLC expanded its work to more broadly address the entire school-to-prison pipeline by adding an education reform component to its efforts.

The Mississippi project has been phenomenally successful in attaining concrete results for children. During the 2007 legislative session, the SPLC secured full funding for all the legislative reforms it achieved during the 2005 and 2006 sessions — doubling the funding for community-based alternatives to incarcer-

ation and securing funds for educating detained youth and training public defenders. The SPLC also obtained full funding for a detention center-monitoring unit, which is expected to aggressively oversee conditions and sanction non-compliant facilities.

The SPLC also achieved passage of two education-related bills: one requiring reforms to harsh school disciplinary practices and the other ending the practice of forcing poor families to pay school fees they can't afford.

In Louisiana, the SPLC has ongoing special education initiatives in four of the largest parishes. In 2007, it continued to enforce two special education settlement agreements. In late 2007, the SPLC negotiated a third class-wide settlement agreement — this time in Calcasieu Parish in the southwestern part of the state. It continues to pursue settlement in a fourth parish, Caddo, where Shreveport is located. Together, the four parishes contain a fourth of all Louisiana public school students.

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## CHARITABLE STATUS & MANAGEMENT

The Southern Poverty Law Center was incorporated in 1971 and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The SPLC tax identification number is 63-0598743. All contributions, grants and bequests to the Southern Poverty Law Center are tax deductible.

The SPLC's work is supported primarily through donor contributions. No government funds are received or used for its efforts.

During its last fiscal year, the SPLC spent approximately 70% of its total expenses on program services. At the end of the fiscal year, the SPLC's endowment — a special, board-designated fund to support future work — stood at \$201.7 million. The SPLC is proud of the stewardship of its resources.

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## OPERATING FUND

ASSETS	
Cash and cash equivalents	\$1,113,654
Contributions receivable	3,143,432
Other receivables	642,803
Inventory	784,293
Prepaid expenses	659,296
Investments of gift annuity program	9,134,271
Investments of pooled income fund	204,779
Other investments	2,951,714
Land, buildings and equipment, at cost less accumulated depreciation	<u>20,202,852</u>
Total operating fund assets	<u>\$38,837,094</u>
LIABILITIES AND NET ASSETS	
Accounts payable and accrued liabilities	\$874,196
Long term debt	15,000,000
Gift annuity liability	5,043,483
Pooled income fund liability	<u>78,031</u>
Total operating fund liabilities	<u>20,995,710</u>
Unrestricted net assets - operating fund	16,897,210
Temporarily restricted net assets - operating fund	<u>944,174</u>
Total net assets - operating fund	<u>17,841,384</u>
TOTAL OPERATING FUND LIABILITIES & NET ASSETS	<u>\$38,837,094</u>

*A copy of the SPLC's audited financial statement is available upon request.*

## ENDOWMENT FUND

The SPLC builds for the future by setting aside a certain amount of its income for an endowment, a practice begun in 1974 to plan for the day when nonprofits like the SPLC can no longer afford to solicit support through the mail because of rising postage and printing costs.

ASSETS	
Equity Investments	\$128,292,848
Fixed Income Investments	\$52,941,750
Other Investments	<u>\$20,475,867</u>
TOTAL ENDOWMENT FUND ASSETS	<u>\$201,710,465</u>

# STATEMENT OF ACTIVITIES

## CHANGES IN UNRESTRICTED NET ASSETS FROM OPERATING FUND

Operating support and revenue	
Contributions	\$27,822,569
Grants	1,167,300
Investment income (excluding endowment)	928,332
Rental income	264,709
Sale of educational materials	135,709
Other	<u>21,516</u>
Total operating fund support and revenue	<u>30,340,135</u>
Operating fund expenses	
Program services	
Legal services	7,014,349
Public education	<u>13,810,496</u>
Total program services	<u>20,824,845</u>
Supporting services	
Management and general	3,955,430
Development	<u>5,110,124</u>
Total supporting services	<u>9,065,554</u>
Total operating fund expenses	<u>29,890,399</u>
Change in unrestricted net assets from operating fund	<u>449,736</u>

## CHANGES IN TEMPORARILY RESTRICTED NET ASSETS FROM OPERATING FUND

Operating support and revenue	
Contributions	278,034
Pooled Income Fund Contributions	<u>17,919</u>
Changes in temporarily restricted net assets from operating fund	295,953

CHANGES IN NET ASSETS FROM OPERATING FUND 745,689

NET ASSETS AT BEGINNING OF YEAR 17,095,695

NET ASSETS AT END OF YEAR \$17,841,384

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