

SOUTHERN CENTER FOR HUMAN RIGHTS

FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

With Independent Auditor's Report Thereon

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Southern Center for Human Rights

We have audited the accompanying financial statements of Southern Center for Human Rights (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 of material misstatement.

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



Morrow, Georgia  
April 24, 2020

SOUTHERN CENTER FOR HUMAN RIGHTS  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2019 AND 2018

	ASSETS	
	2019	2018
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 957,301	\$ 508,998
Investments	4,766,479	7,215,972
Contributions receivable	1,550	62,732
Pledges receivable	864,999	12,750
Other receivables	8,608	5,783
Prepays	<u>10,127</u>	<u>8,521</u>
<b>TOTAL CURRENT ASSETS</b>	<b>6,609,064</b>	<b>7,814,756</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Land	673,335	73,335
Building and improvements	4,622,333	950,636
Furniture, fixtures and equipment	104,872	59,875
Automobiles	160,168	116,668
Other assets	21,458	12,875
Accumulated depreciation	<u>(737,112)</u>	<u>(640,767)</u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b><u>4,845,054</u></b>	<b><u>572,622</u></b>
<b>LONG TERM PLEDGE RECEIVABLES</b>	<b>91,630</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b><u>\$ 11,545,748</u></b>	<b><u>\$ 8,387,378</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 311,877	\$ 105,205
Deferred revenue	20,000	20,000
Accrued expenses	<u>52,974</u>	<u>9,685</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>384,851</u></b>	<b><u>134,890</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>384,851</u></b>	<b><u>134,890</u></b>
<b>NET ASSETS</b>		
Without donor restrictions	9,214,530	7,265,450
With donor restrictions	<u>1,946,367</u>	<u>987,038</u>
<b>TOTAL NET ASSETS</b>	<b><u>11,160,897</u></b>	<b><u>8,252,488</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 11,545,748</u></b>	<b><u>\$ 8,387,378</u></b>

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

SOUTHERN CENTER FOR HUMAN RIGHTS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Foundation grants	\$ 1,536,857	\$ 1,045,622	\$ 2,582,479
Individual and business contributions	1,350,477	317,000	1,667,477
Investment revenue	1,149,579	-	1,149,579
Attorney fees and settlements	805,882	-	805,882
Special events, net	368,502	-	368,502
Rental income	70,323	-	70,323
Loss on disposal of fixed assets	<u>(410)</u>	<u>-</u>	<u>(410)</u>
Public support and revenue	5,281,210	1,362,622	6,643,832
Net assets released from restrictions	<u>403,293</u>	<u>(403,293)</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u>5,684,503</u>	<u>959,329</u>	<u>6,643,832</u>
<b>EXPENSES</b>			
Program services	3,078,842	-	3,078,842
Supporting services:			
Management and general	319,768	-	319,768
Fundraising	<u>336,813</u>	<u>-</u>	<u>336,813</u>
Total supporting services	<u>656,581</u>	<u>-</u>	<u>656,581</u>
<b>TOTAL EXPENSES</b>	<u>3,735,423</u>	<u>-</u>	<u>3,735,423</u>
<b>CHANGES IN NET ASSETS</b>	1,949,080	959,329	2,908,409
<b>NET ASSETS:</b>			
AT BEGINNING OF YEAR	<u>7,265,450</u>	<u>987,038</u>	<u>8,252,488</u>
AT END OF YEAR	<u>\$ 9,214,530</u>	<u>\$ 1,946,367</u>	<u>\$ 11,160,897</u>

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

SOUTHERN CENTER FOR HUMAN RIGHTS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Foundation grants	\$ 1,180,999	\$ 331,048	\$ 1,512,047
Individual and business contributions	853,732	-	853,732
Attorney fees and settlements	506,943	-	506,943
Special events, net	430,285	-	430,285
Other revenue	124	-	124
Loss on disposal of fixed assets	(6,933)	-	(6,933)
Investment revenue	<u>(528,357)</u>	<u>-</u>	<u>(528,357)</u>
Public support and revenue	2,436,793	331,048	2,767,841
Net assets released from restrictions	<u>862,390</u>	<u>(862,390)</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u>3,299,183</u>	<u>(531,342)</u>	<u>2,767,841</u>
<b>EXPENSES</b>			
Program services	2,725,168	-	2,725,168
Supporting services:			
Management and general	296,889	-	296,889
Fundraising	<u>278,513</u>	<u>-</u>	<u>278,513</u>
Total supporting services	<u>575,402</u>	<u>-</u>	<u>575,402</u>
<b>TOTAL EXPENSES</b>	<u>3,300,570</u>	<u>-</u>	<u>3,300,570</u>
<b>CHANGES IN NET ASSETS</b>	(1,387)	(531,342)	(532,729)
<b>NET ASSETS:</b>			
AT BEGINNING OF YEAR	<u>7,266,837</u>	<u>1,518,380</u>	<u>8,785,217</u>
AT END OF YEAR	<u>\$ 7,265,450</u>	<u>\$ 987,038</u>	<u>\$ 8,252,488</u>

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

SOUTHERN CENTER FOR HUMAN RIGHTS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2019

	<u>Capital Litigation</u>	<u>Impact Litigation</u>	<u>Public Policy</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 785,210	\$ 782,405	\$ 319,708	\$ 1,887,323	\$ 218,646	\$ 232,926	\$ 2,338,895
Litigation	116,112	301,296	1,291	418,699	-	-	418,699
Professional	33,496	85,106	13,348	131,950	59,145	9,788	200,883
Travel	93,439	46,736	16,051	156,226	882	873	157,981
Office expenses	33,472	31,913	16,453	81,838	18,784	44,729	145,351
Depreciation & amortization	38,625	38,510	15,729	92,864	10,831	11,534	115,229
Staff development	33,477	16,368	12,504	62,349	1,725	1,365	65,439
Occupancy	21,933	21,867	8,932	52,732	6,152	6,549	65,433
Marketing	13,664	12,491	5,548	31,703	1,000	23,891	56,594
Outreach & engagement	11,662	10,660	23,916	46,238	-	-	46,238
Interns	1,925	43,215	5	45,145	-	-	45,145
Insurance	18,513	18,494	2,645	39,652	1,822	1,941	43,415
Sub-grants	-	25,000	-	25,000	-	-	25,000
Miscellaneous	<u>1,863</u>	<u>2,377</u>	<u>2,883</u>	<u>7,123</u>	<u>781</u>	<u>3,217</u>	<u>11,121</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 1,203,391</u></b>	<b><u>\$ 1,436,438</u></b>	<b><u>\$ 439,013</u></b>	<b><u>\$ 3,078,842</u></b>	<b><u>\$ 319,768</u></b>	<b><u>\$ 336,813</u></b>	<b><u>\$ 3,735,423</u></b>

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

SOUTHERN CENTER FOR HUMAN RIGHTS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2018

	<u>Capital Litigation</u>	<u>Impact Litigation</u>	<u>Public Policy</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 682,251	\$ 597,791	\$ 212,650	\$ 1,492,692	\$ 206,281	\$ 187,414	\$ 1,886,387
Litigation	132,382	372,197	937	505,516	-	-	505,516
Professional	133,702	26,131	6,122	165,955	50,364	27,243	243,562
Travel	74,081	41,705	5,903	121,689	892	1,217	123,798
Office expenses	46,608	43,549	13,779	103,936	21,241	34,420	159,597
Depreciation & amortization	21,102	18,478	6,587	46,167	6,354	5,771	58,292
Staff development	35,530	13,279	6,598	55,407	2,645	1,255	59,307
Occupancy	15,591	13,653	4,867	34,111	5,492	4,264	43,867
Marketing	18,980	16,575	5,885	41,440	-	8,368	49,808
Outreach & engagement	11,992	9,977	19,226	41,195	-	-	41,195
Interns	5,160	33,388	3,200	41,748	-	-	41,748
Insurance	11,482	10,055	3,584	25,121	3,457	3,140	31,718
Sub-grants	10,890	37,500	-	48,390	-	-	48,390
Miscellaneous	<u>175</u>	<u>569</u>	<u>1,057</u>	<u>1,801</u>	<u>163</u>	<u>5,421</u>	<u>7,385</u>
<b>TOTAL EXPENSES</b>	<b>\$ <u>1,199,926</u></b>	<b>\$ <u>1,234,847</u></b>	<b>\$ <u>290,395</u></b>	<b>\$ <u>2,725,168</u></b>	<b>\$ <u>296,889</u></b>	<b>\$ <u>278,513</u></b>	<b>\$ <u>3,300,570</u></b>

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

SOUTHERN CENTER FOR HUMAN RIGHTS  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$2,908,409	\$ (532,729)
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	115,229	58,292
Reinvested dividends	(99,620)	(188,977)
Unrealized (gain) loss on investments	(534,091)	849,001
Realized gain on investments	(476,796)	(151,173)
Loss on disposal of assets	410	6,933
Decrease (increase) in operating assets		
Contributions receivable	61,182	77,537
Pledges receivable	(943,879)	417,250
Other receivables	(2,825)	(5,783)
Prepays	(1,606)	1,855
Increase (decrease) in operating liabilities		
Accounts payable	206,672	61,533
Deferred revenue	-	20,000
Accrued expenses	<u>43,289</u>	<u>3,463</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,276,374	617,202
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investments	4,825,000	1,001,500
Purchase of investments	(1,265,000)	(1,399,160)
Purchase of fixed assets	<u>(4,388,071)</u>	<u>(17,374)</u>
NET CASH (USED IN) INVESTING ACTIVITIES	(828,071)	(415,034)
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET CHANGE IN CASH	448,303	202,168
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>508,998</u>	<u>306,830</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 957,301</u>	<u>\$ 508,998</u>

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



SOUTHERN CENTER FOR HUMAN RIGHTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

**1. ORGANIZATION**

Southern Center for Human Rights (“SCHR”) was incorporated in 1978 under the Tennessee General Corporation Act as a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has classified SCHR as a publicly supported charitable organization which allows donors to SCHR to take the maximum charitable contribution deduction. SCHR, located in Atlanta, Georgia, is working for equality, dignity, and justice for people impacted by the criminal legal system in the Deep South. SCHR fights for a world free from mass incarceration, the death penalty, the criminalization of poverty, and racial injustice.

SCHR’s Capital Litigation Unit provides direct representation to clients who are facing or who have received death sentences; consults with other capital defense teams and shares our expertise at trainings and conferences; and advocates for reforms to curtail the use of or abolish the death penalty.

SCHR’s Impact Litigation Unit files civil suits to protect our communities against numerous injustices. This includes defending people who face severe criminal charges and receive harsh sentences; people who are incarcerated as a form of wealth-based detention; and people who suffer abuse and inhumane treatment in jails and prisons.

SCHR’s Public Policy Unit develops and advocates for legislation that reforms harsh sentencing laws, provides alternatives to incarceration, abolishes the death penalty, strengthens the public defender system, and ends the criminalization of poverty. This unit works to engage and support local communities in advocating for needed criminal justice reforms.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

**Basis of accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

SCHR classifies its net assets, revenues and expenses, and gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of SCHR 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 objective of the organization. These net assets may be used at the discretion of SCHR’s management and the board of directors.

SOUTHERN CENTER FOR HUMAN RIGHTS  
NOTES TO FINANCIAL STATEMENTS – Continued

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Basis of accounting – continued**

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Estimates**

Management of SCHR makes estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. Actual results could differ from these estimates.

**Financial instruments**

The financial instruments shown as assets and liabilities in the statements of financial position are traditional in nature. The carrying value of cash and cash equivalents and all other financial instruments, including receivables and payables, approximate their fair value.

**Cash and cash equivalents**

For financial statement purposes, highly liquid investments with original maturities of three months or less when purchased are reported as cash and cash equivalents. For the years ended December 31, 2019 and 2018, cash equivalents were \$305,843 and \$122,567, respectively.

**Investments**

Investments in equity and debt securities are reported at fair value with realized and unrealized gains and losses included in the statements of activities.

SOUTHERN CENTER FOR HUMAN RIGHTS  
NOTES TO FINANCIAL STATEMENTS – Continued

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Fixed assets**

Fixed assets are stated on the basis of cost with the exception of donated items, which are stated at fair market value at the date of donation. Expenditures for renewals and improvements are charged to the property accounts. Expenditures such as maintenance and repairs, which do not improve or extend the life of the respective assets, are charged to operations. The cost and related accumulated depreciation are removed from the accounts for equipment sold or retired. Acquisitions that have an estimated useful life greater than one year are capitalized and are depreciated on the straight-line basis. SCHR currently uses a capitalization threshold policy of \$2,500.

Estimated useful lives are as follows:

<u>Asset Category</u>	<u>Useful Lives</u>
Building and improvements	10 – 40 years
Furniture, fixtures and equipment	5 – 10 years
Automobiles	5 years
Software	3 years

**Functional allocation of expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, office expenses, occupancy, payroll taxes and benefits, and certain salaries which are allocated on the basis of estimates of time and effort.

**Income taxes**

SCHR qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is only subject to federal or state income taxes on specific types of income from activities that are unrelated to its exempt purpose. SCHR had no income from unrelated activities and has no income taxes due as of December 31, 2019 and 2018.

SCHR's application of ASC 740 regarding uncertain tax positions had no effect on its financial position as management believes SCHR has no material unrecognized income tax benefits, including any potential risk of loss of its not-for-profit tax status. SCHR would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as income tax expense. SCHR is no longer subject to examination by federal, state or local tax authorities for periods before 2016.

SOUTHERN CENTER FOR HUMAN RIGHTS  
NOTES TO FINANCIAL STATEMENTS – Continued

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**In-kind services**

Many individuals volunteer time and perform a variety of tasks that assist SCHR with various administrative, fundraising and program tasks. The value of these services has not been reflected in the financial states since they do not meet the criteria for recognition.

**Recently issued accounting standards**

On January 1, 2019, SCHR adopted Accounting Standards Update (ASU) 2014-09, the new revenue recognition accounting standard issued by the Financial Accounting Standards Board (FASB) and codified in Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers. The revenue recognition standard in ASC 606 outlines a single comprehensive model for recognizing revenue as performance obligations, defined in a contract with a customer as goods or services transferred to the customer in exchange for consideration, as satisfied. The standard also requires expanded disclosures regarding SCHR's revenue recognition policies and significant judgment employed in the determination of revenue. The adoption of ASC 606 did not have a material impact on the financial statements and SCHR does not expect it to have a material impact on the results of operations on a prospective basis.

Additionally, on January 1, 2019 SCHR adopted ASU 2018-08 Not-for-Profit Entities (Topic 958-605) clarifying the accounting guidance for contributions received and contributions made to assist entities in distinguishing between contributions (non-reciprocal) and exchange (reciprocal) transactions and to determine whether a contribution is conditional. The adoption did not have a material impact on the financial statements.

**Reclassifications**

Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on the previously reported results.

**Subsequent events**

Subsequent events have been evaluated through April 24, 2020, which is the date the financial statements were available to be issued.

**3. AVAILABILITY AND LIQUIDITY**

The following represents SCHR's financial assets at December 31, 2019, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, perpetual endowments and accumulated earnings net of appropriations within one year or because the governing board has set aside the funds for specific contingency reserves and projects or a long-term investment as board designated endowments.

SOUTHERN CENTER FOR HUMAN RIGHTS  
NOTES TO FINANCIAL STATEMENTS – Continued

**3. AVAILABILITY AND LIQUIDITY – Continued**

	2019
Financial assets:	
Cash and cash equivalents	\$ 957,301
Investments	4,766,479
Contributions receivable	1,550
Pledges receivable	864,999
Other receivables	8,608
Financial assets at year-end	6,598,937
Less amounts unavailable to be used within one year:	
Net assets with donor restrictions	1,096,955
Financial assets available to meet general expenditures over the next year	\$ 5,501,982

Southern Center for Human Rights' goal is to maintain financial assets sufficient to meet at least one year in operating expenses. It seeks to prudently allocate these funds among cash and longer-term investments.

**4. NET ASSETS**

Net assets with donor restrictions were as follows for the years ended December 31, 2019 and 2018:

	2019	2018
Restricted for specific programs	\$ 796,139	\$ 88,766
Restricted to create and fund fellowships	760,654	699,546
Restricted for time	180,000	-
Restricted to support attorney salaries	158,554	158,554
Restricted to support internships	51,020	40,172
	\$ 1,946,367	\$ 987,038

Net assets with donor restrictions released from restrictions were as follows for the years ended December 31, 2019 and 2018:

	2019	2018
Restricted for specific programs	\$ 276,248	\$ 111,234
Restricted to create and fund fellowships	87,893	169,632
Restricted to support internships	39,152	56,607
Restricted for time	-	497,917
Restricted for other	-	7,000
Restricted for event sponsorship	-	20,000
	\$ 403,293	\$ 862,390

SOUTHERN CENTER FOR HUMAN RIGHTS  
NOTES TO FINANCIAL STATEMENTS – Continued

**5. INVESTMENTS**

Investments as of December 31, 2019 and 2018 are summarized as follows:

	<u>2019</u>	<u>2018</u>
Mutual Funds – Domestic Stock	\$ 2,200,063	\$ 3,121,895
Mutual Funds – International Stock	1,445,241	2,185,510
Mutual Funds – Fixed Income	<u>1,121,175</u>	<u>1,908,567</u>
 Total	 <u>\$ 4,766,479</u>	 <u>\$ 7,215,972</u>

The following is a summary of investment revenue:

	<u>2019</u>	<u>2018</u>
Unrealized gain on investments	\$ 534,091	\$ (849,001)
Realized gain on investments	476,796	151,173
Interest and dividend revenue	154,959	191,796
Investment fees	<u>(16,267)</u>	<u>(22,325)</u>
 Total	 <u>\$ 1,149,579</u>	 <u>\$ (528,357)</u>

**6. FAIR VALUE MEASUREMENTS**

SCHR adopted the provisions of Accounting Standards Codification 820 (“ASC 820”), Fair Value Measurements, for financial assets and liabilities. Under ASC 820, fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels. These levels, in order of highest priority to lowest priority, are described as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Unobservable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Inputs are unobservable inputs for the asset that are supported by little or no market activity and that are significant to the fair value of the underlying asset.

At December 31, 2019 and 2018, all investments were considered Level 1.

SOUTHERN CENTER FOR HUMAN RIGHTS  
NOTES TO FINANCIAL STATEMENTS – Continued

**7. SPECIAL EVENTS**

SCHR held receptions or dinners in various cities in order to raise funds. The net proceeds from these events are reported as special events revenue in the accompanying statements of activities. The following are summaries of these activities for the year ended December 31, 2019 and 2018:

	2019		
	Revenue	Expenses	Net revenue
Frederick Douglass Dinner	\$ 356,044	\$ 157,838	\$ 198,206
Atlanta Benefit	119,867	29,788	90,079
New York	33,200	3,298	29,902
San Francisco Event	<u>58,779</u>	<u>8,464</u>	<u>50,315</u>
 Total	 <u>\$ 567,890</u>	 <u>\$ 199,388</u>	 <u>\$ 368,502</u>
	2018		
	Revenue	Expenses	Net revenue
Frederick Douglass Dinner	\$ 395,315	\$ 101,788	\$ 293,527
Atlanta Benefit	106,865	33,771	73,094
New York	25,930	388	25,542
San Francisco Event	<u>44,600</u>	<u>6,478</u>	<u>38,122</u>
 Total	 <u>\$ 572,710</u>	 <u>\$ 142,425</u>	 <u>\$ 430,285</u>

**8. OPERATING LEASES**

SCHR entered into a new copier lease in December 2017. The lease has a monthly payment of \$967 that is required through November 2022.

Future minimum lease payments under the operating leases are as follows:

Year ended December 31,	
2020	\$ 11,604
2021	11,604
2022	<u>10,637</u>
Total	<u>\$ 33,845</u>

SOUTHERN CENTER FOR HUMAN RIGHTS  
NOTES TO FINANCIAL STATEMENTS – Continued

**9. EMPLOYEE BENEFIT PLAN**

SCHR adopted a defined contribution retirement plan effective April 1, 2001. Contributions from SCHR begin after one year of service and are 4% of each participant's compensation as defined in the summary plan description. All employees are eligible to participate in the plan upon employment and employees become vested after three years. During the years ended December 31, 2019 and 2018, SCHR contributed \$59,860 and \$38,557, respectively, to the plan.

**10. CONCENTRATION OF RISK**

SCHR maintains its cash in accounts, which at times may exceed federally insured limits. SCHR has not experienced any losses in such accounts. Management believes it is not exposed to any undue credit risk with regards to the cash in excess of federally insured limits.

**11. SUBSEQUENT EVENTS**

As of the issuance date of these financial statements, the coronavirus pandemic is having serious economic implications throughout the world. The long-term economic consequences remain unknown. An estimate of the financial statement effect of this pandemic on SCHR cannot be made at this time.

On March 17, 2020, SCHR sold property that formerly was its headquarters. The sales price was \$1,700,000, with an approximate gain on sale of \$1.1 million.