ANTI-DEFAMATION LEAGUE AND
ANTI-DEFAMATION LEAGUE FOUNDATION

Consolidated Financial Statements and Schedules

December 31, 2011 and 2010

(With Independent Auditors' Report Thereon)

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

National Commission
Anti-Defamation League
and
Board of Trustees
Anti-Defamation League Foundation:

We have audited the accompanying consolidated balance sheets of Anti-Defamation League and Anti-Defamation League Foundation (collectively referred to as ADL) as of December 31, 2011 and 2010, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of ADL's management. Our responsibility is to express an opinion on these consolidated 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ADL's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Anti-Defamation League and Anti-Defamation League Foundation as of December 31, 2011 and 2010, and the changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The 2011 consolidating and other supplementary information included in schedules 1 through 6 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual organizations and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2011 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

KPMG LLP

August 13, 2012

ANTI-DEFAMATION LEAGUE AND
ANTI-DEFAMATION LEAGUE FOUNDATION

Consolidated Balance Sheets

December 31, 2011 and 2010

Assets		**2011**	**2010**
Cash and cash equivalents	$	11,061,321	13,161,681
Contributions receivable, net (note 4)		12,008,999	12,109,360
Prepaid expenses and other assets		3,537,615	3,438,179
Investments (note 3)		118,161,848	128,692,361
Property and equipment, net (note 5)		12,738,331	13,555,784
Total assets	$	157,508,114	170,957,365
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	6,572,925	6,076,240
Borrowings under lines of credit (note 8)		8,000,000	8,000,000
Deferred revenue		941,318	600,193
Deferred rent (note 8)		7,606,921	7,602,134
Liabilities under charitable trusts and annuity agreements		7,623,026	8,115,254
Long-term pension obligation (note 6)		29,454,722	23,917,905
Total liabilities		60,198,912	54,311,726
Commitments and contingencies (note 8)			
Net assets:			
Unrestricted:			
Available for operations		36,412,527	50,002,510
Long-term pension obligation (note 6)		(29,454,722)	(23,917,905)
Total unrestricted, net of long-term pension obligation		6,957,805	26,084,605
Temporarily restricted (note 7)		24,067,069	29,605,268
Permanently restricted (note 7)		66,284,328	60,955,766
Total net assets		97,309,202	116,645,639
Total liabilities and net assets	$	157,508,114	170,957,365

See accompanying notes to consolidated financial statements.

ANTI-DEFAMATION LEAGUE AND
ANTI-DEFAMATION LEAGUE FOUNDATION

Consolidated Statements of Activities

Years ended December 31, 2011 and 2010

	2011	2010
Changes in unrestricted net assets:		
Operating revenues:		
Contributions (including special events revenue of $18,033,180 and $18,466,099, respectively)	$ 44,250,533	45,092,054
Less:		
Provision for uncollectible contributions receivable	(664,637)	(817,003)
Direct special events expenses	(5,283,483)	(4,997,988)
Contributions, net	38,302,413	39,277,063
Endowment return appropriated and other investment return (note 3)	4,429,966	4,628,069
Other income	1,093,506	922,719
Net assets released from restrictions	9,010,796	11,254,252
Total operating revenues	52,836,681	56,082,103
Operating expenses (note 6):		
Program services:		
Regional operations	20,220,111	21,747,215
Education	6,854,985	6,966,529
Civil rights	5,052,230	5,602,006
International affairs and interfaith programs	2,787,603	2,611,732
Leadership	1,917,771	2,275,362
Marketing and communications	3,632,999	4,195,276
	40,465,699	43,398,120
Supporting services:		
Administration	7,515,332	7,913,931
Development	8,153,879	8,543,977
	15,669,211	16,457,908
Total operating expenses before effect of pension plan curtailment	56,134,910	59,856,028
Effect of pension plan curtailment on net periodic benefit cost (note 6)	—	13,771,521
Total operating expenses	56,134,910	73,627,549
Excess of operating expenses over operating revenues	(3,298,229)	(17,545,446)
Nonoperating activities:		
Investment return (less) greater than amount appropriated (note 3)	(4,508,033)	2,414,447
Pension (charge) credit other than net periodic benefit cost (note 6)	(11,365,639)	17,707,522
Net asset reclassification for adoption of ASC 958-205 (note 7)	—	(626,261)
Other, net	45,101	39,712
Total nonoperating activities	(15,828,571)	19,535,420
(Decrease) increase in unrestricted net assets	(19,126,800)	1,989,974
Changes in temporarily restricted net assets:		
Contributions (note 7)	5,659,668	6,844,730
Change in the value of charitable trust and annuity agreements	(332,366)	1,818,846
Investment return (note 3)	(1,854,705)	5,335,087
Net assets released from restrictions	(9,010,796)	(11,254,252)
Net asset reclassification for adoption of ASC 958-205 (note 7)	—	626,261
(Decrease) increase in temporarily restricted net assets	(5,538,199)	3,370,672
Change in permanently restricted net assets:		
Contributions (note 7)	5,328,562	4,157,173
Increase in permanently restricted net assets	5,328,562	4,157,173
(Decrease) increase in net assets	(19,336,437)	9,517,819
Net assets at beginning of year	116,645,639	107,127,820
Net assets at end of year	$ 97,309,202	116,645,639

See accompanying notes to consolidated financial statements.

ANTI-DEFAMATION LEAGUE AND
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Consolidated Statements of Cash Flows

Years ended December 31, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
(Decrease) increase in net assets	$ (19,336,437)	9,517,819
Adjustments to reconcile (decrease) increase in net assets to net cash used in operating activities:		
Pension charge (credit) other than net periodic benefit cost	11,365,639	(17,707,522)
Contributions of permanently restricted net assets	(5,328,562)	(4,157,173)
Net depreciation (appreciation) in fair value of investments	3,107,771	(11,071,440)
Provision for uncollectible contributions receivable	664,637	817,003
Depreciation and amortization	1,223,513	1,353,756
Change in the value of charitable trust and annuity agreements	332,366	(1,818,846)
Changes in operating assets and liabilities:		
Contributions receivable	(1,629,197)	(806,743)
Prepaid expenses and other assets	(99,436)	(42,343)
Accounts payable and accrued expenses	496,685	(2,894,015)
Deferred revenue	341,125	(13,421)
Deferred rent	4,787	(5,086)
Accrued pension obligation	(5,828,822)	13,785,676
Net cash used in operating activities	(14,685,931)	(13,042,335)
Cash flows from investing activities:		
Proceeds from sale of investments	32,443,908	38,021,342
Purchase of investments	(25,021,166)	(29,129,529)
Acquisition of property and equipment	(406,060)	(163,504)
Net cash provided by investing activities	7,016,682	8,728,309
Cash flows from financing activities:		
Contributions of permanently restricted net assets	5,328,562	4,157,173
Change in contributions receivable restricted for permanent investment	1,064,921	69,594
Payments to charitable gift annuitants	(1,200,180)	(1,185,281)
Proceeds from charitable trusts and annuity gifts in excess of amounts recognized as contributions	375,586	1,084,868
Net cash provided by financing activities	5,568,889	4,126,354
Net decrease in cash and cash equivalents	(2,100,360)	(187,672)
Cash and cash equivalents at beginning of year	13,161,681	13,349,353
Cash and cash equivalents at end of year	$ 11,061,321	13,161,681

See accompanying notes to consolidated financial statements.

(1) Organization

The Anti-Defamation League (the League) is a nonprofit organization formed in 1913 for the purpose of defending democratic ideals and eliminating anti-Semitism and bigotry in the United States and around the world, while providing knowledgeable leadership on a national level for the American Jewish community.

The Anti-Defamation League Foundation (the Foundation) was established in 1976 to assist the League in its principal objectives and to encourage and administer endowments.

Both the League and the Foundation (collectively referred to as ADL) are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except for tax on unrelated business income, if applicable.

The following functional classifications have been established to account for the program services of ADL:

(a) Regional Operations

Supervises and coordinates the League's coast-to-coast network of regional offices. Field staff and regional boards reach out to local communities with the substance of the League's programs. The regional offices provide local data, information about trends, and the perspective to help develop the League's policy and programs.

(b) Education

Furthers the League's mission through the design and delivery of intergroup, Holocaust, anti-bias, and other educational programs and materials for use in P-12 classrooms, on college campuses, and with community groups, corporations, civic associations, religious organizations, youth movements, and other nontraditional learning contexts. Assists groups in responding to identified concerns and bias-motivated incidents, educating people to respect diversity, remember and learn from the Holocaust, and eradicate anti-Semitism, racism, and bigotry of all kinds.

(c) Civil Rights

Monitors, exposes, and counteracts groups and individuals that promote hate, extremism, anti-Semitism, and racism; combats bias-motivated criminal conduct and religious, racial, and other forms of discrimination through litigation, legislation, coalition-building, and educational efforts and by providing assistance to victims; and protects and defends the First Amendment rights of Jews and all Americans in the area of religious freedom. The Civil Rights Division's Center on Extremism works to gather, analyze, and provide the public, especially law enforcement, with information about anti-Semitism and extremism, producing important reports on such issues as hate on the Internet and the threat posed by the organized hate movement, anti-government extremists, and homegrown jihadists. The Legal Affairs Department develops model legislation and other strategies to respond to the extremist threats, and also assists in formulating and implementing the League's agenda in the areas of church-state separation, hate crimes, discrimination, immigration, affirmative action, cyber-hate, and cyber-bullying. The Civil Rights Division's Research Center oversees the League's annual *Audit of Anti-Semitic Incidents* and provides research on a wide variety of topics, including anti-Israel activity on college campuses. The Civil Rights Division also has a Policy Planning Center

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based in Washington, D.C. that helps direct and implement the League's legislative advocacy program and formulates long-range strategies. A number of area counsel and investigative researchers who work closely with the League's regional operations staff to gather information and to address specific local concerns about issues related to the League's civil rights agenda. The Civil Rights Division also includes the Rita and Leo Greenland Library, which archives all ADL's documents as well as mainstream and extremist publications.

(d) International Affairs and Interfaith Programs

Maintains contacts throughout Europe, Latin America, the Mideast, and the United States from which information is gathered relating to political and social movements that impact anti-Semitism and bigotry. Observes trends in Europe, Israel, and the Mideast. Prepares and disseminates reports and data concerning the Mideast affecting the image of Israel and anti-Semitism in the United States. Initiates educational programs regarding Mideast and Israeli affairs through which information is channeled to the national office. Develops programs of cooperation on intergroup understanding and human relations with Catholic and Protestant religious groups at community, regional, and national levels. Participates in educational and action programs in interfaith efforts. Organizes training programs and curriculum development for seminars and religious-oriented educational institutions.

(e) Leadership

Recruits and develops new leadership through special programmatic meetings and dissemination of programmatic materials.

(f) Marketing and Communications

Presents the public face of ADL. Manages the League's awareness through Internet initiatives, social marketing, online video, and newspaper advertising campaigns; produces the national newsletter *ADL on the Frontline*; and handles direct marketing. Prepares audiovisual and print materials on ADL issues, goals, and objectives; writes, edits, and produces materials for all ADL divisions (reports, brochures, displays, invitations, newsletters, periodicals, journals, ads, and special publications); and handles special projects such as exhibits.

(2) Summary of Significant Accounting Policies

The consolidated financial statements have been prepared on the accrual basis of accounting and include the accounts of the League and the Foundation. All significant interorganizational balances and transactions have been eliminated in consolidation.

(a) Basis of Presentation

ADL's net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets not subject to donor-imposed restrictions.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that will be met either by actions of ADL and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by ADL. The donors of these assets may specify the use of the income earned.

The significant accounting policies followed are described below in order to enhance the usefulness of the consolidated financial statements to the reader:

i. Contributions, including unconditional promises to give, are recorded as contributions in the accompanying consolidated statements of activities when pledged, less an estimated amount for contributions deemed uncollectible. Contributions are considered to be available for unrestricted use unless restricted by donors to specific purposes. Conditional contributions, including promises to give, are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

ii. ADL reports gifts of cash and other assets as temporarily restricted contributions if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying consolidated statements of activities as net assets released from restrictions.

iii. Contributions of assets placed in trusts in which ADL has a remainder interest and charitable gift annuities are recorded at the date the assets are received after recording liabilities for the actuarial present value of the estimated payments to be made to the donors and/or other beneficiaries. Such contributions are recorded as increases in temporarily restricted net assets in the accompanying consolidated statements of activities. The liabilities are adjusted annually for changes in the value of the assets and changes in the estimates of future benefits. The adjustments are recorded as change in the value of charitable trust and annuity agreements in the accompanying consolidated statements of activities.

iv. Cash and cash equivalents represent short-term investments with maturities of three months or less at the time of purchase, except for those short-term investments managed by ADL’s investment managers as part of their long-term investment strategies, which are included in investments in the accompanying consolidated balance sheets.

v. Donated assets and contributed services that meet the criteria for recognition are recorded at fair market value at date of gift. The fair value of readily marketable donated assets is based upon published market prices. The fair value of all other assets is based on independent appraisal or estimates of proceeds to be received upon disposition.

vi. Property and equipment are stated at cost except those assets received by gift, which are stated at appraised value at date of gift. Property and equipment are depreciated over their estimated useful lives using the straight-line method.

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vii. Investments in short-term instruments, fixed income securities, mutual funds, and equity securities are carried at fair value based on published market prices. Investments in absolute return funds, limited partnerships, and other nonpublicly traded investments are stated at estimated fair value which, as a practical expedient, is the net asset value as provided by the investment managers, and evaluated for reasonableness by ADL.

viii. Deferred revenue includes revenue from special events which have not yet occurred.

ix. The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates made in the preparation of the consolidated financial statements include fair value of alternative investments, net realizable value of contributions receivable, pension assumptions, and functional expense allocation. Actual results could differ from those estimates.

x. Operations include all expenses incurred and unrestricted revenues, except for investment return greater (less) than the amount appropriated for spending, pension charges or credits other than net periodic benefit cost, and nonrecurring items.

xi. ADL recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Income generated from activities unrelated to ADL's exempt purpose is subject to tax under Internal Revenue Code Section 511 and is to be reported and paid filing IRS Form 990-T.

(3) Investments

Investments, stated at estimated fair value, consist of the following at December 31, 2011 and 2010:

		2011	2010
Redemptions receivable	$	9,650,801	—
Invested cash and short-term investments		590,295	1,021,750
Fixed income securities		9,438,278	10,216,213
Mutual funds – equities		8,378,097	14,089,801
Mutual funds – fixed income		16,336,363	16,322,592
Common stocks		11,595,387	5,497,881
Absolute return funds		52,569,747	67,546,977
Limited partnerships		9,352,880	13,597,147
Other		250,000	400,000
Total	$	118,161,848	128,692,361

Investments include charitable trust and annuity funds of approximately $11.7 million and $14 million at December 31, 2011 and 2010, respectively.

Investment return for the years ended December 31, 2011 and 2010 is summarized as follows:

		2011	2010
Interest and dividends	$	1,174,999	1,306,163
Net (depreciation) appreciation in fair value of investments		(3,107,771)	11,071,440
Total investment return	$	(1,932,772)	12,377,603
Reported in the consolidated statements of activities as follows:			
Unrestricted – operating	$	4,429,966	4,628,069
Unrestricted – nonoperating		(4,508,033)	2,414,447
Temporarily restricted		(1,854,705)	5,335,087
Total investment return	$	(1,932,772)	12,377,603

Assets and liabilities reported at fair value are required to be classified within a fair value hierarchy which gives preference to the use of observable inputs over unobservable inputs. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date.
- Level 2 inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Most investments classified as Level 2 and Level 3 consist of shares or units in investment funds as opposed to direct interests in the funds' underlying holdings, which may be marketable. Because the net asset value reported by each fund is used as a practical expedient to estimate the fair value of ADL's interest therein, its classification in Level 2 or Level 3 is based on ADL's ability to redeem its interest at or near the balance sheet date. If the interest can be redeemed in the near term, the investment is classified in Level 2. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

The following table presents the fair value hierarchy of investments as of December 31, 2011:

		Fair value	Level 1	Level 2	Level 3
Redemptions receivable (a)	$	9,650,801	9,650,801	—	—
Invested cash and short-term investments		590,295	590,295	—	—
Fixed income securities – government		9,438,278	4,243,452	5,194,826	—
Mutual funds – equities:					
Domestic		6,610,642	5,989,254	621,388	—
International		1,767,455	—	1,767,455	—
Mutual funds – fixed income:					
Domestic		14,608,699	9,790,093	4,818,606	—
International		1,727,664	1,727,664	—	—
Common stocks – domestic		11,595,387	11,595,387	—	—
Absolute return funds:					
Multi-strategy hedge funds		22,378,988	—	10,918,212	11,460,776
Global opportunities hedge funds		13,099,374	—	7,057,797	6,041,577
Equity long/short hedge funds		10,275,050	—	8,448,273	1,826,777
Distressed debt hedge funds		6,816,335	—	3,565,281	3,251,054
Limited partnerships:					
Long only securities		3,243,768	—	3,243,768	—
Real estate (b)		5,340,000	—	—	5,340,000
Other		769,112	—	—	769,112
Other		250,000	—	—	250,000
Total	$	118,161,848	43,586,946	45,635,606	28,939,296

(a) Redemptions receivable were collected and reinvested subsequent to year end.

(b) Represents a non-controlling 13.69% interest in a real estate limited partnership which owns a residential apartment building located in Woodland Hills, California. The estimated fair value is based upon an independent appraisal of market value.

The following table presents the fair value hierarchy of investments as of December 31, 2010:

		Fair value	Level 1	Level 2	Level 3
Invested cash and short-term investments	$	1,021,750	1,021,750	—	—
Fixed income securities – government		10,216,213	4,576,913	5,639,300	—
Mutual funds – equities:					
Domestic		7,113,774	7,113,774	—	—
International		6,976,027	5,379,180	1,596,847	—
Mutual funds – fixed income:					
Domestic		14,885,127	10,227,855	4,657,272	—
International		1,437,465	1,437,465	—	—
Common stocks – domestic		5,497,881	5,497,881	—	—
Absolute return funds:					
Multi-strategy hedge funds		28,674,081	—	13,744,909	14,929,172
Global opportunities hedge funds		14,841,459	—	8,528,504	6,312,955
Equity long/short hedge funds		16,905,127	—	9,483,891	7,421,236
Distressed debt hedge funds		7,126,310	—	3,470,852	3,655,458
Limited partnerships:					
Long only securities		10,461,858	—	10,461,858	—
Real estate		2,366,000	—	—	2,366,000
Other		769,289	—	—	769,289
Other		400,000	—	—	400,000
Total	$	128,692,361	35,254,818	57,583,433	35,854,110

The following table presents a reconciliation of Level 3 investments for the years ended December 31, 2011 and 2010:

		2011	Absolute return	Limited partnerships	Other
Balance at beginning of year	$	35,854,110	32,318,821	3,135,289	400,000
Total net realized and unrealized gain		546,398	(2,309,239)	3,005,637	(150,000)
Sales		(3,938,421)	(3,899,957)	(38,464)	—
Purchases		1,006,650	1,000,000	6,650	—
Reclassification to Level 2		(4,529,441)	(4,529,441)	—	—
Balance at end of year	$	28,939,296	22,580,184	6,109,112	250,000

The unrealized gain with respect to limited partnerships principally reflects an increase in the appraised value of ADL's interest in a real estate limited partnership.

	2010	Absolute return	Limited partnerships	Other
Balance at beginning of year	$ 53,282,339	49,773,906	3,108,433	400,000
Total net realized and unrealized gain	3,009,913	2,958,936	50,977	—
Sales	(10,244,281)	(10,207,160)	(37,121)	—
Purchases	1,013,000	1,000,000	13,000	—
Reclassification to Level 2	(11,206,861)	(11,206,861)	—	—
Balance at end of year	$ 35,854,110	32,318,821	3,135,289	400,000

On December 31, 2011, $1,257,871 representing a specific investment, was transferred out of Level 1 into Level 2 as the investment does not have a quoted priced on an active market, and $9,650,801 was transferred out of Level 2 into Level 1 resulting from year end redemptions for which the distributions did not take place until January 2012.

On May 7, 2010, $3,857,762 was transferred out of Level 2 into Level 1 due to the conversion of a specific investment from a limited partnership to a publicly traded mutual fund.

Information with respect to the strategies for investments which are reported at estimated fair value based upon net asset value per share (or its equivalent) is as follows (amounts included are as of December 31, 2011):

Fixed income securities – government ($5,194,826) – includes donor gifts of non domestic sovereign fixed income securities which are to be held to maturity.

Mutual funds – domestic equities ($621,388) – includes investments in highly liquid non publicly traded proprietary mutual funds.

Mutual funds – international equities ($1,767,455) – includes investments in highly liquid non publicly traded proprietary mutual funds.

Mutual funds – domestic fixed income ($4,818,606) – includes investments in highly liquid non publicly traded proprietary mutual funds.

Multi-strategy hedge funds ($22,378,988) – includes investments in funds that pursue multiple investment strategies to diversify risks and reduce volatility. Capital allocated to each of the strategies, as well as geographical areas, varies depending on market opportunities.

Global opportunities hedge funds ($13,099,374) – includes investments in funds that invest primarily in equity securities of Asian-Pacific and emerging market companies. A portion of the investment focuses on event-driven investing while also using other hedging strategies.

Equity long/short hedge funds ($10,275,050) – includes investments in funds that invest both long and short primarily in U.S. equities. Investments are also made in fixed income securities and funds, depending on market conditions and opportunities to increase capital allocation to investments in foreign markets.

Distressed debt hedge funds ($6,816,335) – includes investments in funds that invest opportunistically in troubled companies. Investments encompass distressed debt, private equity, real estate, high yield bonds, and a number of hedge fund strategies.

Long-only securities limited partnerships ($3,243,768) – includes investments in companies that have overlooked value as well as event-driven stocks selling at discounts to their intrinsic values. Investments are in long positions predominately in developed markets.

Other limited partnerships ($769,112) – includes investments in a domestic limited partnership, which invests in short-term liquid assets, stocks, and bonds. The partnership may also buy and sell put and call options for hedging purposes.

Information with respect to the redemption provisions for Level 2 and Level 3 investments is as follows as of December 31, 2011:

Redemption period	Amount
Next day	$ 10,037,941
Monthly	12,741,631
Quarterly	25,253,515
Semiannual	1,589,055
Annual	13,495,168
Closed end (a)	11,457,592
Total	$ 74,574,902

(a) Distributions are made when investments are realized.

(4) Contributions Receivable

Contributions receivable at December 31, 2011 and 2010 are scheduled to be collected as follows:

	2011	2010
Within one year	$ 10,508,366	11,898,667
One to five years	3,435,864	2,130,756
More than five years	1,000,000	1,075,000
	14,944,230	15,104,423
Discount to present value, at rates from 0.82% to 4.70%	(426,231)	(495,063)
Allowance for uncollectible contributions receivable	(2,509,000)	(2,500,000)
	$ 12,008,999	12,109,360

As of December 31, 2011 and 2010, 31% and 21%, respectively, of gross contributions receivable were due from five donors.

(5) Property and Equipment

The components of property and equipment and their estimated useful lives at December 31, 2011 and 2010 are as follows:

	2011	2010	Useful lives
Land	$ 1,150,224	1,150,224	N/A
Buildings	4,150,445	4,150,445	30 years
Leasehold and building improvements	14,155,517	14,269,974	2 – 18 years
Furniture and equipment	7,273,225	7,062,333	5 years
Artwork	324,870	304,870	N/A
Total	27,054,281	26,937,846	
Less accumulated depreciation and amortization	(14,315,950)	(13,382,062)	
Net property and equipment	$ 12,738,331	13,555,784	

(6) Employee Benefit Plans

On November 16, 2010, ADL's governing body approved a resolution freezing benefit accruals for all participants under the Anti-Defamation League Retirement Plan (the Plan), effective December 31, 2010. The freeze met the criteria of a curtailment. As a result of the curtailment, $13,771,521 of the prior service cost not yet recognized as a component of net periodic benefit cost was amortized into net periodic benefit cost. This expense is separately identified and not functionalized on the accompanying 2010 consolidated statement of activities. The table which follows presents the functionalization of this cost:

	Operating expenses before amortization	Prior service cost amortization	Operating expenses after amortization
Regional operations	$ 21,747,215	5,830,595	27,577,810
Education	6,966,529	962,545	7,929,074
Civil rights	5,602,006	1,473,192	7,075,198
International affairs and interfaith programs	2,611,732	438,248	3,049,980
Leadership	2,275,362	326,173	2,601,535
Marketing and communications	4,195,276	1,155,617	5,350,893
Total program services	43,398,120	10,186,370	53,584,490
Administration	7,913,931	1,293,532	9,207,463
Development	8,543,977	2,291,619	10,835,596
Total supporting services	16,457,908	3,585,151	20,043,059
Total expenses	$ 59,856,028	13,771,521	73,627,549

The projected benefit obligation for the Plan increased by $7,669,381 to $67,633,379. This was due to the increase in interest cost $3,179,819, the loss due to the change in discount rate of $7,904,408 and the benefits paid in the amount of $3,414,846. Since benefit accruals are suspended, the projected benefit obligation is equal to the accumulated benefit obligation. ADL will continue to make contributions to the Plan in amounts sufficient to meet applicable funding requirements.

The following table provides information with respect to the Plan as of December 31, 2011 and 2010, and for the years then ended:

		2011	2010
Projected benefit obligation	$	67,633,380	59,963,998
Plan assets, at fair value		38,178,658	36,046,093
Funded status	$	(29,454,722)	(23,917,905)
Net periodic benefit cost	$	103,015	17,483,407
Employer contributions		5,931,838	3,697,730
Benefits paid		3,414,846	3,082,951

The discount rate used to determine the pension benefit obligation was 4.45% and 5.38% at December 31, 2011 and 2010, respectively.

Weighted average assumptions used to determine net periodic benefit cost at December 31, 2011 and 2010 were as follows:

	2011	2010
Discount rate	5.38%	5.93%
Expected return on plan assets	8.00	8.00
Rate of compensation increases	N/A	4.00

As of December 31, 2011, the Plan's targeted and actual asset allocation are as follows:

	Target	Actual
Invested cash and short-term investments	—%	3%
Fixed income securities	37	38
Mutual funds – equities	35	32
Absolute return funds	20	19
Real assets	8	8
Total	100%	100%

The following table presents the fair value hierarchy of the Plan's assets as of December 31, 2011:

	Fair value	Level 1	Level 2	Level 3
Invested cash and short-term investments	$ 1,238,730	1,238,730	—	—
Mutual funds – fixed income:				
Domestic	12,511,608	12,511,608	—	—
International	1,758,993	1,758,993	—	—
Mutual funds – equities:				
Domestic	6,681,874	6,681,874	—	—
International	5,537,915	5,537,915	—	—
Absolute return funds:				
Multi-strategy hedge fund	3,708,720	—	3,708,720	—
Equity long/short hedge fund	3,706,738	—	—	3,706,738
Limited partnership – real estate	3,034,080	—	3,034,080	—
Total	$ 38,178,658	27,729,120	6,742,800	3,706,738

The following table presents the fair value hierarchy of the Plan's assets as of December 31, 2010:

	Fair value	Level 1	Level 2	Level 3
Invested cash and short-term investments	$ 408,715	408,715	—	—
Mutual funds – fixed income:				
Domestic	10,983,481	10,983,481	—	—
International	1,607,538	1,607,538	—	—
Mutual funds – equities:				
Domestic	6,609,927	6,609,927	—	—
International	6,328,343	6,328,343	—	—
Absolute return funds:				
Multi-strategy hedge fund	3,598,697	—	3,598,697	—
Equity long/short hedge fund	3,478,608	—	—	3,478,608
Limited partnership – real estate	3,030,784	—	3,030,784	—
Total	$ 36,046,093	25,938,004	6,629,481	3,478,608

The following table presents a reconciliation of Level 3 assets for the years ended December 31, 2011 and 2010. All Level 3 assets represent absolute return funds.

		2011	2010
Beginning balance	$	3,478,608	6,593,806
Purchases		325,000	—
Total net realized and unrealized (loss) gains		(96,870)	398,440
Reclassification to Level 2		—	(3,513,638)
Ending balance	$	3,706,738	3,478,608

Information with respect to the strategies of the Plan's investments which are reported at estimated fair value based upon net asset value per share (or its equivalent) is as follows (amounts included are as of December 31, 2011):

Multi-strategy hedge fund ($3,708,720) – a fund that pursues multiple investment strategies to diversify risks and reduce volatility. Capital allocated to each of the strategies, as well as geographical areas, varies depending on market opportunities.

Equity long/short hedge fund ($3,706,738) – a fund of funds focused on long/short equity hedge funds with diversified portfolios of stocks rather than portfolios with large commitments to relatively few names. This fund permits redemptions annually as of December 31, with 60 days notice.

Real estate ($3,034,080) – a fund that invests in real estate securities. Depending on market conditions and opportunities, investments can shift between geographical regions to enhance returns.

Information with respect to the redemption provisions for Level 2 and Level 3 investments is as follows as of December 31, 2011:

Redemption period		Amount
Monthly	$	3,034,080
Quarterly		3,708,720
Annual		3,706,738
Total	$	10,449,538

Plan benefits are expected to be paid from the Plan as follows:

2012	$	3,995,000
2013		4,066,000
2014		4,090,000
2015		4,129,000
2016		4,119,000
2017 – 2021		21,021,000

(Continued)

ADL expects to contribute $4,073,000 to the Plan during the year ended December 31, 2012.

As of December 31, 2011 and 2010, amounts charged to unrestricted net assets but not yet recognized as a component of net periodic benefit cost total $22,736,113 and $11,370,474, respectively. The estimated net actuarial loss that will be amortized into net periodic benefit cost during 2012 is $425,000.

(7) Temporarily Restricted and Permanently Restricted Net Assets

Temporarily restricted net assets at December 31, 2011 and 2010 are available for the following purposes or periods:

		2011	2010
Regional operations	$	5,350,310	6,480,506
Education		8,095,979	9,303,938
Civil rights		1,650,935	1,196,013
International affairs and interfaith programs		2,366,990	2,851,489
Leadership		203,214	515,140
Other		1,430,559	2,366,352
Future periods		4,969,082	6,891,830
	$	24,067,069	29,605,268

Permanently restricted net assets at December 31, 2011 and 2010 are restricted to investment in perpetuity, the income from which is expendable to support the following:

		2011	2010
Regional operations	$	13,491,008	13,457,581
Education		11,394,021	10,411,768
Civil rights		6,943,301	6,926,015
International affairs and interfaith programs		6,112,478	6,112,478
Leadership		3,225,030	3,150,030
General activities of ADL		25,118,490	20,897,894
	$	66,284,328	60,955,766

ADL's endowment, held entirely by the Foundation, consists of individual donor-restricted endowment funds established for a variety of purposes. ADL has no board-designated endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. ADL classifies as permanently restricted net assets the original value of gifts to the permanent endowment, as well as accumulations to the permanent endowment made at the direction of the donor.

In 2010, New York State enacted the *New York Prudent Management of Institutional Funds Act* (NYPMIFA). ADL has interpreted NYPMIFA as allowing it to appropriate for expenditure or accumulate so much of the donor-restricted endowment fund as is prudent for the uses, benefits, purposes, and duration

(Continued)

for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument absent explicit donor stipulations to the contrary. As a result of this interpretation, ADL has not changed the way permanently restricted net assets are classified. Accounting guidance associated with the enactment of NYPMIFA as set forth in Accounting Standards Codification (ASC) No. 958-205, *Not-for-Profit Entities*, requires the portion of a donor-restricted endowment fund that is not classified as permanently restricted to be classified as temporarily restricted net assets until appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA. The adoption of the ASC's guidance resulted in a $626,261 reclassification from unrestricted to temporarily restricted net assets, which is reflected in the accompanying 2010 consolidated statement of activities.

The following tables present the changes in ADL's donor-restricted endowment funds, inclusive of pledges, for the years ended December 31, 2011 and 2010:

		2011		
	Unrestricted	**Temporarily restricted**	**Permanently restricted**	**Total**
Endowment net assets at December 31, 2010	$ (326,767)	4,688,406	60,955,766	65,317,405
Investment income	7,933	580,656	—	588,589
Net depreciation (realized and unrealized)	(1,924,250)	(1,255,942)	—	(3,180,192)
Contributions	—	—	5,328,562	5,328,562
Appropriation for expenditure	(603,845)	(2,006,952)	—	(2,610,797)
Endowment net assets at December 31, 2011	$ (2,846,929)	2,006,168	66,284,328	65,443,567

		2010		
	Unrestricted	**Temporarily restricted**	**Permanently restricted**	**Total**
Endowment net assets at December 31, 2009	$ (806,355)	1,951,194	56,798,593	57,943,432
Investment income	46,618	575,540	—	622,158
Net appreciation (realized and unrealized)	2,743,518	2,619,586	—	5,363,104
Contributions	—	531,040	4,157,173	4,688,213
Appropriation for expenditure	(1,684,287)	(1,615,215)	—	(3,299,502)
Net asset reclassification for adoption of ASC 958-205	(626,261)	626,261	—	—
Endowment net assets at December 31, 2010	$ (326,767)	4,688,406	60,955,766	65,317,405

(Continued)

(a) Funds with Deficiencies

From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the original value of the fund (i.e., the amount classified as permanently restricted). These deficiencies aggregated $2,846,929 and $326,767 at December 31, 2011 and 2010, respectively, and are recorded in unrestricted net assets in the accompanying consolidated balance sheets.

(b) Return Objective and Risk Parameters

ADL has adopted investment policies for its endowment that attempt to provide a level of support, as determined by ADL's spending policy, while seeking to preserve the real value of the endowment assets over time. ADL relies on a total return strategy under which investment returns are achieved through both appreciation (realized and unrealized) and yield (interest and dividends). Investments are diversified by asset class, as well as by investment manager and style, with a focus on achieving long-term return objectives within prudent risk constraints.

(c) Spending Policy

The Foundation has a policy of appropriating investment return on the endowment funds for spending at a rate of 5% of the fair value of the endowment, unless otherwise explicitly stipulated by the donor.

(8) Commitments and Contingencies

(a) Operating Leases

ADL occupies its national and New York regional office space in New York City under a lease agreement that expires in 2027. The agreement includes landlord incentives, escalation clauses, and a renewal option. Office space occupied by ADL's other regional offices is under lease agreements expiring at various dates through 2019. The leases are accounted for on a straight-line basis. Certain regional office leases include rent escalations and periods of free rent. The deferred landlord incentives (which are being recognized over the life of the New York lease) and the difference between straight-lining the rental charges and actual payments are reported as deferred rent on the accompanying consolidated balance sheets. Total rent expense approximated $5 million and $5.1 million for the years ended December 31, 2011 and 2010, respectively. Minimum annual rentals are as follows:

Year ending December 31:		
2012	$	5,063,000
2013		4,878,000
2014		4,631,000
2015		4,177,000
2016		4,092,000
2017 and thereafter		37,885,000
	$	60,726,000

(b) Lines of Credit

The League and the Foundation each have a $4 million line of credit with a financial institution. Through March 1, 2012, the interest rate on all borrowings was either LIBOR plus 70 basis points or prime rate. Effective March 2, 2012, the interest rate on all borrowings is either LIBOR plus 60 basis points or prime rate. As of December 31, 2010 and 2011, the League and the Foundation each had an outstanding balance of the full $4 million from these lines totaling $8 million of borrowings under credit lines. These lines, which are due March 1, 2013 and are routinely rolled over, are secured by certain of the Foundation's investments.

(9) Subsequent Events

In connection with the preparation of the consolidated financial statements, ADL evaluated subsequent events after the balance sheet date of December 31, 2011 through August 13, 2012, which was the date the consolidated financial statements were available to be issued and determined that there were no matters that are required to be disclosed.

Schedule 1

ANTI-DEFAMATION LEAGUE AND
ANTI-DEFAMATION LEAGUE FOUNDATION

Consolidating Schedule – Balance Sheet Information

December 31, 2011

Assets	**League**	**Foundation**	**Eliminations**	**Consolidated total**
Cash and cash equivalents	$ 5,902,817	5,158,504	—	11,061,321
Contributions receivable, net	7,723,853	4,285,146	—	12,008,999
Prepaid expenses and other assets	1,331,389	2,206,226	—	3,537,615
Investments	645,325	117,516,523	—	118,161,848
Property and equipment, net	9,709,704	3,028,627	—	12,738,331
Due from the Foundation	6,943,869	—	(6,943,869)	—
Total assets	$ 32,256,957	132,195,026	(6,943,869)	157,508,114
Liabilities and Net Assets				
Liabilities:				
Accounts payable and accrued expenses	$ 6,002,660	570,265	—	6,572,925
Borrowings under lines of credit	4,000,000	4,000,000	—	8,000,000
Deferred revenue	941,318	—	—	941,318
Deferred rent	7,606,921	—	—	7,606,921
Liabilities under charitable trusts and annuity agreements	—	7,623,026	—	7,623,026
Due to the League	—	6,943,869	(6,943,869)	—
Long-term pension obligation	26,509,249	2,945,473	—	29,454,722
Total liabilities	45,060,148	22,082,633	(6,943,869)	60,198,912
Net assets (accumulated deficits):				
Unrestricted:				
Available for operations	6,722,343	29,690,184	—	36,412,527
Long-term pension obligation	(26,509,249)	(2,945,473)	—	(29,454,722)
Total unrestricted, net of long-term pension obligation	(19,786,906)	26,744,711	—	6,957,805
Temporarily restricted	6,983,715	17,083,354	—	24,067,069
Permanently restricted	—	66,284,328	—	66,284,328
Total (accumulated deficit) net assets	(12,803,191)	110,112,393	—	97,309,202
Total liabilities and net assets	$ 32,256,957	132,195,026	(6,943,869)	157,508,114

See accompanying independent auditors' report.

ANTI-DEFAMATION LEAGUE AND
ANTI-DEFAMATION LEAGUE FOUNDATION

Consolidating Schedule – Statement of Activities Information

Year ended December 31, 2011

	League	Foundation	Eliminations	Consolidated total
Changes in unrestricted net assets:				
Operating revenues:				
Contributions (including the League's special events revenue of $18,033,180)	$ 39,176,195	5,074,338	—	44,250,533
Less:				
Provision for uncollectible contributions receivable	(664,637)	—	—	(664,637)
Direct special events expenses	(5,283,483)	—	—	(5,283,483)
Contributions, net	33,228,075	5,074,338	—	38,302,413
Rental income from the League	—	259,390	(259,390)	—
Endowment return appropriated and other investment return	—	4,429,966	—	4,429,966
Other income	1,090,402	3,104	—	1,093,506
Net assets released from restrictions	7,557,591	1,453,205	—	9,010,796
Transfer to the League from the Foundation	4,429,966	(4,429,966)	—	—
Total operating revenues	46,306,034	6,790,037	(259,390)	52,836,681
Operating expenses:				
Program services	39,583,966	1,141,123	(259,390)	40,465,699
Administration	4,948,718	2,566,614	—	7,515,332
Development	5,131,447	3,022,432	—	8,153,879
Total operating expenses	49,664,131	6,730,169	(259,390)	56,134,910
(Excess) deficiency of operating expenses over operating revenues	(3,358,097)	59,868	—	(3,298,229)
Nonoperating activities:				
Investment return greater (less) than amount appropriated	14,256	(4,522,289)	—	(4,508,033)
Pension charge other than net periodic benefit cost	(10,229,075)	(1,136,564)	—	(11,365,639)
Other, net	—	45,101	—	45,101
Transfer to the League from the Foundation	7,926,817	(7,926,817)	—	—
Total nonoperating activities	(2,288,002)	(13,540,569)	—	(15,828,571)
Decrease in unrestricted net assets	(5,646,099)	(13,480,701)	—	(19,126,800)
Changes in temporarily restricted net assets:				
Contributions	5,246,199	413,469	—	5,659,668
Change in the value of charitable trust and annuity agreements	—	(332,366)	—	(332,366)
Investment return	231	(1,854,936)	—	(1,854,705)
Net assets released from restrictions	(7,557,591)	(1,453,205)	—	(9,010,796)
Transfer to the League from the Foundation	1,256,875	(1,256,875)	—	—
Decrease in temporarily restricted net assets	(1,054,286)	(4,483,913)	—	(5,538,199)
Change in permanently restricted net assets:				
Contributions	—	5,328,562	—	5,328,562
Increase in permanently restricted net assets	—	5,328,562	—	5,328,562
Decrease in net assets	(6,700,385)	(12,636,052)	—	(19,336,437)
(Accumulated deficit) net assets at beginning of year	(6,102,806)	122,748,445	—	116,645,639
(Accumulated deficit) net assets at end of year	$ (12,803,191)	110,112,393	—	97,309,202

See accompanying independent auditors' report.

Schedule 3

ANTI-DEFAMATION LEAGUE AND
ANTI-DEFAMATION LEAGUE FOUNDATION

Schedule of Functional Operating Expenses

Year ended December 31, 2011

	Program services							Supporting services			
	Regional operations	Education	Civil rights	International affairs and interfaith programs	Leadership	Marketing and communications	Total program services	Administration	Development	Total supporting services	Total expenses
Salaries	$ 9,981,879	2,625,400	2,870,762	1,144,184	461,500	1,719,894	18,803,619	2,392,948	5,017,546	7,410,494	26,214,113
Personnel welfare and other related expenses	3,197,777	752,474	727,566	371,861	95,818	556,896	5,702,392	726,646	1,218,891	1,945,537	7,647,929
Total salaries and related expenses	13,179,656	3,377,874	3,598,328	1,516,045	557,318	2,276,790	24,506,011	3,119,594	6,236,437	9,356,031	33,862,042
Projects and functions	1,398,228	2,500,057	233,131	554,038	27,341	220,714	4,933,509	397,822	536,187	934,009	5,867,518
Office services and occupancy	4,550,637	539,465	782,391	453,149	221,616	1,026,338	7,573,596	2,510,491	571,524	3,082,015	10,655,611
Travel, meetings, and conferences	936,222	380,565	315,035	151,812	1,069,003	47,967	2,900,604	164,091	91,285	255,376	3,155,980
Research materials	21,010	1,068	73,661	6,981	—	35,496	138,216	11,206	322,471	333,677	471,893
Legal and financial	20,748	—	—	16,957	—	—	37,705	495,479	24,939	520,418	558,123
Other	113,610	55,956	49,684	88,621	42,493	25,694	376,058	816,649	371,036	1,187,685	1,563,743
Total operating expenses	$ 20,220,111	6,854,985	5,052,230	2,787,603	1,917,771	3,632,999	40,465,699	7,515,332	8,153,879	15,669,211	56,134,910

See accompanying independent auditors' report.

Schedule 4

ANTI-DEFAMATION LEAGUE AND
ANTI-DEFAMATION LEAGUE FOUNDATION

Schedule of Functional Expenses – Operating for
Anti-Defamation League

Year ended December 31, 2011

	Program services							Supporting services			
	Regional operations	Education	Civil rights	International affairs and interfaith programs	Leadership	Marketing and communications	Total program services	Administration	Development	Total supporting services	Total expenses
Salaries	$ 9,844,721	2,425,051	2,752,353	1,143,219	439,682	1,713,050	18,318,076	1,227,098	3,317,626	4,544,724	22,862,800
Personnel welfare and other related expenses	3,158,462	695,044	693,624	371,584	89,564	554,934	5,563,212	390,733	723,373	1,114,106	6,677,318
Total salaries and related expenses	13,003,183	3,120,095	3,445,977	1,514,803	529,246	2,267,984	23,881,288	1,617,831	4,040,999	5,658,830	29,540,118
Projects and functions	1,322,860	2,389,963	168,065	553,508	15,352	216,953	4,666,701	397,822	536,187	934,009	5,600,710
Office services and occupancy	4,651,750	484,676	745,865	453,149	221,616	1,026,338	7,583,394	1,865,352	427,657	2,293,009	9,876,403
Travel, meetings, and conferences	936,222	380,565	315,035	151,812	1,069,003	47,967	2,900,604	52,449	57,428	109,877	3,010,481
Research materials	21,010	1,068	73,661	6,981	—	35,496	138,216	11,206	22,439	33,645	171,861
Legal and financial	20,748	—	—	16,957	—	—	37,705	328,547	15,990	344,537	382,242
Other	113,610	55,956	49,684	88,621	42,493	25,694	376,058	675,511	30,747	706,258	1,082,316
Total operating expenses	$ 20,069,383	6,432,323	4,798,287	2,785,831	1,877,710	3,620,432	39,583,966	4,948,718	5,131,447	10,080,165	49,664,131

See accompanying independent auditors’ report.

Schedule 5

ANTI-DEFAMATION LEAGUE AND
ANTI-DEFAMATION LEAGUE FOUNDATION

Schedule of Functional Expenses – Operating for
Anti-Defamation League Foundation

Year ended December 31, 2011

	Program services							Supporting services			
	Regional operations	Education	Civil rights	International affairs and interfaith programs	Leadership	Marketing and communications	Total program services	Administration	Development	Total supporting services	Total expenses
Salaries	$ 137,158	200,349	118,409	965	21,818	6,844	485,543	1,165,850	1,699,920	2,865,770	3,351,313
Personnel welfare and other related expenses	39,315	57,430	33,942	277	6,254	1,962	139,180	335,913	495,518	831,431	970,611
Total salaries and related expenses	176,473	257,779	152,351	1,242	28,072	8,806	624,723	1,501,763	2,195,438	3,697,201	4,321,924
Projects and functions	75,368	110,094	65,066	530	11,989	3,761	266,808	—	—	—	266,808
Office services and occupancy	158,277	54,789	36,526	—	—	—	249,592	645,139	143,867	789,006	1,038,598
Travel, meetings, and conferences	—	—	—	—	—	—	—	111,642	33,857	145,499	145,499
Research materials	—	—	—	—	—	—	—	—	300,032	300,032	300,032
Legal and financial	—	—	—	—	—	—	—	166,932	8,949	175,881	175,881
Other	—	—	—	—	—	—	—	141,138	340,289	481,427	481,427
Total operating expenses	$ 410,118	422,662	253,943	1,772	40,061	12,567	1,141,123	2,566,614	3,022,432	5,589,046	6,730,169

See accompanying independent auditors' report.

Schedule 6

ANTI-DEFAMATION LEAGUE AND
ANTI-DEFAMATION LEAGUE FOUNDATION

Consolidating Schedule – Statement of Cash Flows Information

Year ended December 31, 2011

	League	Foundation	Eliminations	Consolidated total
Cash flows from operating activities:				
Decrease in net assets	$ (6,700,385)	(12,636,052)	—	(19,336,437)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:				
Pension charge other than net periodic benefit cost	10,229,075	1,136,564	—	11,365,639
Contributions of permanently restricted net assets	—	(5,328,562)	—	(5,328,562)
Net appreciation in fair value of investments	—	3,107,771	—	3,107,771
Provision for uncollectible contributions receivable	664,637	—	—	664,637
Depreciation and amortization	1,009,366	214,147	—	1,223,513
Change in the value of charitable trust and annuity agreements	—	332,366	—	332,366
Changes in operating assets and liabilities:				
Contributions receivable	(134,597)	(1,494,600)	—	(1,629,197)
Prepaid expenses and other assets	39,687	(139,123)	—	(99,436)
Accounts payable and accrued expenses	512,704	(16,019)	—	496,685
Deferred revenue	341,125	—	—	341,125
Deferred rent	4,787	—	—	4,787
Accrued pension obligation	(5,245,940)	(582,882)	—	(5,828,822)
Net cash provided by (used in) operating activities	720,459	(15,406,390)	—	(14,685,931)
Cash flows from investing activities:				
Proceeds from sale of investments	412,240	32,031,668	—	32,443,908
Purchase of investments	—	(25,021,166)	—	(25,021,166)
Acquisition of property and equipment	(386,060)	(20,000)	—	(406,060)
Net cash provided by investing activities	26,180	6,990,502	—	7,016,682
Cash flows from financing activities:				
Contributions of permanently restricted net assets	—	5,328,562	—	5,328,562
Change in contributions receivable restricted for permanent investment	—	1,064,921	—	1,064,921
Payments to charitable gift annuitants	—	(1,200,180)	—	(1,200,180)
Proceeds from charitable trusts and annuity gifts in excess of amounts recognized as contributions	—	375,586	—	375,586
Amounts due from the Foundation	(101,657)	—	101,657	—
Amounts due to the League	—	101,657	(101,657)	—
Net cash (used in) provided by financing activities	(101,657)	5,670,546	—	5,568,889
Net increase (decrease) in cash and cash equivalents	644,982	(2,745,342)	—	(2,100,360)
Cash and cash equivalents at beginning of year	5,257,835	7,903,846	—	13,161,681
Cash and cash equivalents at end of year	$ 5,902,817	5,158,504	—	11,061,321

See accompanying independent auditors' report.