



**ANTI-DEFAMATION LEAGUE AND
ANTI-DEFAMATION LEAGUE FOUNDATION**

Consolidated Financial Statements and Schedules

December 31, 2019 and 2018

(With Independent Auditors' Report Thereon)



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

Independent Auditors' Report

The Board of Directors
Anti-Defamation League
and
The Board of Trustees
Anti-Defamation League Foundation:

We have audited the accompanying consolidated financial statements of the Anti-Defamation League and Anti-Defamation League Foundation (collectively referred to as ADL), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the consolidated 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 organization'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Anti-Defamation League and Anti-Defamation League Foundation as of December 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2019 consolidating and other supplementary information included in schedules 1 through 5 are presented for purposes of additional analysis and is not a required part of the 2019 consolidated financial statements. In addition, the accompanying consolidating balance sheet, statements of activities and cash flows are presented for purposes of additional analysis of the 2019 consolidated financial statements rather than to present the financial position or changes in net assets of the individual entities, and are not a required part of the 2019 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 2019 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2019 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 2019 consolidated financial statements or to the 2019 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 2019 consolidated financial statements as a whole.

KPMG LLP

August 27, 2020

**ANTI-DEFAMATION LEAGUE AND
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Consolidated Balance Sheets

December 31, 2019 and 2018

Assets	2019	2018
Cash and cash equivalents	\$ 24,168,981	20,807,348
Contributions receivable, net (note 4)	30,332,947	21,283,234
Prepaid expenses and other assets (note 3)	11,444,248	4,076,392
Investments (note 3)	99,014,840	93,356,407
Property and equipment, net (note 5)	8,861,067	9,230,211
Total assets	\$ 173,822,083	148,753,592
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 9,105,042	7,968,982
Borrowings under lines of credit (note 8)	8,000,000	8,000,000
Deferred rent (note 8)	5,768,532	6,421,886
Liabilities under charitable trusts and annuity agreements	6,917,475	6,889,012
Long-term pension obligations (note 6)	27,161,769	26,793,509
Total liabilities	56,952,818	56,073,389
Commitments and contingencies (note 8)		
Net assets (accumulated deficit) (note 7):		
Net assets (deficit) without donor restrictions:		
Available for operations	17,604,452	22,162,092
Long-term pension obligations (note 6)	(27,161,769)	(26,793,509)
Board-designated endowment	3,566,233	3,269,782
Total net deficit, net of long-term pension obligations	(5,991,084)	(1,361,635)
Net assets with donor restrictions:		
Purpose or time restricted	35,497,033	21,030,623
Endowment fund	87,363,316	73,011,215
Total net assets with donor restrictions	122,860,349	94,041,838
Total net assets	116,869,265	92,680,203
Total liabilities and net assets	\$ 173,822,083	148,753,592

See accompanying notes to consolidated financial statements.

**ANTI-DEFAMATION LEAGUE AND
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Consolidated Statements of Activities

Years ended December 31, 2019 and 2018

	2019	2018
Changes in net assets without donor restrictions:		
Operating revenues:		
Contributions (including special events revenue of \$17,650,000 and \$18,324,000, respectively)	\$ 69,420,250	71,712,122
Less:		
Provision for uncollectible contributions receivable	(1,352,024)	(1,145,729)
Direct special events expenses	(4,601,953)	(5,186,701)
Contributions, net	63,466,273	65,379,692
Endowment return expended and other investment return (note 3)	4,145,150	3,498,124
Other income	1,549,329	1,077,549
Net assets released from restrictions in satisfaction of time and purpose	11,794,547	8,594,510
Total operating revenues	80,955,299	78,549,875
Operating expenses:		
Program services:		
Regional operations	24,486,002	23,810,488
Education	7,380,538	6,148,182
Policy and programs	12,374,933	11,325,006
International affairs and interfaith programs	5,521,239	3,113,618
Leadership	3,753,693	4,045,246
Public awareness	7,106,955	8,041,547
	60,623,360	56,484,087
Supporting services:		
Administration	10,121,106	11,073,438
Development	11,701,027	11,196,857
	21,822,133	22,270,295
Total operating expenses	82,445,493	78,754,382
Deficiency of operating revenues over operating expenses	(1,490,194)	(204,507)
Nonoperating activities:		
Investment return greater (less) than amount appropriated (note 3)	302,881	(494,000)
Net periodic benefit cost (note 6)	(651,673)	(519,636)
Pension (charge) credit other than net periodic benefit cost (note 6)	(2,730,182)	1,350,811
Other, net	(60,281)	(47,579)
Total nonoperating activities	(3,139,255)	289,596
(Decrease) increase in net assets without donor restrictions	(4,629,449)	85,089
Changes in net assets with donor restrictions:		
Contributions:		
Endowment fund contributions (note 7)	6,706,463	5,108,879
Other restricted contributions	24,432,782	7,283,585
Total contributions with donor restrictions	31,139,245	12,392,464
Change in the value of charitable trust and annuity agreements	(619,174)	(80,801)
Investment return (loss) (note 3)	13,334,735	(7,142,723)
Net assets released from restrictions:		
Satisfaction of time and purpose	(11,794,547)	(8,594,510)
Endowment return appropriated	(3,241,748)	(2,859,189)
Increase (decrease) in net assets with donor restrictions	28,818,511	(6,284,759)
Increase (decrease) in net assets	24,189,062	(6,199,670)
Net assets at beginning of year	92,680,203	98,879,873
Net assets at end of year	\$ 116,869,265	92,680,203

See accompanying notes to consolidated financial statements.

**ANTI-DEFAMATION LEAGUE AND
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Consolidated Statement of Functional Expenses

Year ended December 31, 2019

	Program services						Supporting services				
	Regional operations	Education	Policy and programs	International affairs and interfaith programs	Leadership	Public Awareness	Total program services	Administration	Development	Total supporting services	Total expenses
Salaries	\$ 13,662,218	2,889,431	6,158,673	1,777,148	965,623	3,246,260	28,699,353	3,795,363	5,966,425	9,761,788	38,461,141
Personnel welfare and other related expenses	3,778,185	903,683	1,735,029	469,179	283,701	955,544	8,125,321	1,252,463	1,677,017	2,929,480	11,054,801
Total salaries and related expenses	17,440,403	3,793,114	7,893,702	2,246,327	1,249,324	4,201,804	36,824,674	5,047,826	7,643,442	12,691,268	49,515,942
Projects and functions	2,065,658	2,061,283	1,669,982	2,280,554	238,905	1,312,542	9,628,924	594,391	1,427,234	2,021,625	11,650,549
Office services and occupancy	3,580,775	966,006	2,121,496	494,529	429,561	1,431,755	9,024,122	2,757,807	1,893,199	4,651,006	13,675,128
Travel, meetings, and conferences	1,235,681	460,662	394,350	379,297	1,762,419	70,997	4,303,406	75,129	126,603	201,732	4,505,138
Research materials	14,157	1,276	197,816	3,886	213	40,724	258,072	21,763	241,002	262,765	520,837
Legal and financial	1,251	6,027	2,350	17,585	1,762	1,175	30,150	508,042	18,781	526,823	556,973
Other	148,077	92,170	95,237	99,061	71,509	47,958	554,012	1,116,148	350,766	1,466,914	2,020,926
Total operating expenses	\$ 24,486,002	7,380,538	12,374,933	5,521,239	3,753,693	7,106,955	60,623,360	10,121,106	11,701,027	21,822,133	82,445,493

See accompanying notes to consolidated financial statements.

**ANTI-DEFAMATION LEAGUE AND
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Consolidated Statement of Functional Expenses

Year ended December 31, 2018

	Program services						Supporting services				
	Regional operations	Education	Policy and programs	International affairs and interfaith programs	Leadership	Public Awareness	Total program services	Administration	Development	Total supporting services	Total expenses
Salaries	\$ 13,906,342	2,328,600	5,352,971	1,474,171	734,326	3,151,512	26,947,922	3,951,541	5,545,884	9,497,425	36,445,347
Personnel welfare and other related expenses	3,437,204	629,687	1,427,657	350,676	191,989	724,916	6,762,129	1,285,582	1,405,268	2,690,850	9,452,979
Total salaries and related expenses	17,343,546	2,958,287	6,780,628	1,824,847	926,315	3,876,428	33,710,051	5,237,123	6,951,152	12,188,275	45,898,326
Projects and functions	1,350,612	1,704,972	1,334,590	240,773	228,373	2,560,347	7,419,667	584,984	2,026,527	2,611,511	10,031,178
Office services and occupancy	3,799,860	917,064	2,461,075	465,984	397,942	1,393,024	9,434,949	3,196,867	1,618,926	4,815,793	14,250,742
Travel, meetings, and conferences	1,131,342	460,625	411,621	421,545	2,406,428	111,794	4,943,355	238,642	256,629	495,271	5,438,626
Research materials	23,231	1,387	222,609	3,739	53	45,293	296,312	6,882	135,669	142,551	438,863
Legal and financial	12,287	18,975	24,395	47,081	18,296	12,198	133,232	466,572	20,424	486,996	620,228
Other	149,610	86,872	90,088	109,649	67,839	42,463	546,521	1,342,368	187,530	1,529,898	2,076,419
Total operating expenses	\$ 23,810,488	6,148,182	11,325,006	3,113,618	4,045,246	8,041,547	56,484,087	11,073,438	11,196,857	22,270,295	78,754,382

See accompanying notes to consolidated financial statements.

**ANTI-DEFAMATION LEAGUE AND
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Consolidated Statements of Cash Flows
Years ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 24,189,062	(6,199,670)
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Pension charge (credit) other than net periodic benefit cost	2,730,182	(1,350,811)
Endowment fund contributions	(6,706,463)	(5,108,879)
Net (appreciation) depreciation in fair value of investments	(13,135,392)	9,074,047
Provision for uncollectible contributions receivable	1,352,024	1,145,729
Depreciation and amortization	1,544,051	1,618,744
Change in the value of charitable trust and annuity agreements	619,174	80,801
Changes in operating assets and liabilities:		
Contributions receivable	(9,033,026)	(5,620,996)
Prepaid expenses and other assets	(642,457)	513,507
Accounts payable and accrued expenses	1,136,060	(479,580)
Deferred rent	(653,354)	(323,791)
Long-term pension obligations	(2,361,922)	(2,006,802)
Net cash used in operating activities	(962,061)	(8,657,701)
Cash flows from investing activities:		
Proceeds from sale of investments	27,803,535	24,499,304
Purchase of investments	(20,326,576)	(20,139,249)
Receivable for investment sold	(6,725,399)	—
Acquisition of property and equipment	(1,174,907)	(1,714,430)
Net cash (used in) provided by investing activities	(423,347)	2,645,625
Cash flows from financing activities:		
Endowment fund contributions	6,706,463	5,108,879
Change in contributions receivable restricted for endowment	(1,368,711)	(4,683,853)
Payments to charitable gift annuitants	(966,110)	(1,092,872)
Proceeds from charitable trusts and annuity gifts in excess of amounts recognized as contributions	375,399	80,235
Net cash provided by (used in) financing activities	4,747,041	(587,611)
Net increase (decrease) in cash and cash equivalents	3,361,633	(6,599,687)
Cash and cash equivalents at beginning of year	20,807,348	27,407,035
Cash and cash equivalents at end of year	\$ 24,168,981	20,807,348

See accompanying notes to consolidated financial statements.

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(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 (U.S.) 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. Establishes and monitors operating plans for each region, with particular focus on priority programs and activities, including anti-bias training for educators, students and law enforcement professionals; civil rights advocacy; monitoring and exposing of extremist activity; victim assistance; promotion of intergroup collaboration and understanding; and, response to hate crimes and bias incidents. Creates measures and metrics to evaluate regional reach and impact.

(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.

(c) Policy and Programs

Encompasses the work of Civil Rights; Government Relations, Advocacy, and Community Engagement; the Center on Technology and Society; Law Enforcement and Community Security; the Center on Extremism; and Hispanic Affairs. The Civil Rights team, with three attorneys in New York, five area counsels around the country, and a Washington, D.C.-based Policy Planning Center, formulates and implements the League's civil rights agenda in a range of areas including anti-Semitism and all forms of bigotry, discrimination and bias motivated violence; religious freedom and church state separation; and immigration and refugee rights, preparing reports and memoranda, filing amicus briefs, and engaging in other forms of public advocacy. The Government Relations, Advocacy, and Community Engagement team promotes the League's mission in Washington, D.C. and around the country with a focus on legislative advocacy, outreach to government officials, and coalition building. The Center on Technology and Society, based in Silicon Valley, California, works to develop new strategies in the fight against hate online, analyzing and preparing reports on hate speech and cyber harassment, providing insights to government and policymakers, and exposing and countering specific cases of abuse and offensive content on the Internet. ADL's Rita and Leo Greenland Library, which

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archives all of ADL's documents as well as mainstream and extremist publications, also resides in the Policy group. The Center on Extremism monitors and exposes extremist movements and individuals across the ideological spectrum, and provides actionable intelligence and data-based analysis to law enforcement, public officials, community leaders and technology companies. The Law Enforcement and Community Security team conducts training for law enforcement agencies on hate crimes, extremism and implicit bias, as well as programs on community security. Hispanic Affairs expands ADL's work with Hispanic/Latino communities in the U.S.

(d) International Affairs and Interfaith Programs

Maintains contacts throughout Europe, Latin America, the Middle East, and the U.S. from which information is gathered relating to political and social movements that impact anti-Semitism and bigotry. Observes and analyzes trends around the world related to anti-Semitism and related issues. Prepares and disseminates reports and data regarding Israel's security, U.S.-Israel relations and anti-Semitism in the Middle East. Initiates educational programs on the Middle East and Israeli issues, as well as on international best practices on fighting anti-Semitism and bigotry. Maintains contact with faith leaders in the U.S. and other countries. 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 and engages new leadership through special programmatic meetings and dissemination of programmatic materials.

(f) Public Awareness

Presents the public face of ADL. Manages ADL's awareness through website and digital material, social media marketing, online video and newspaper campaigns, communications, relationships and the media. Keeps constituents informed of breaking news and issues involved with ADL's work. Prepares visual and print materials on ADL issues, goals and objectives; writes, edits and produces materials for all ADL divisions (reports, brochures, invitations newsletters, publications); and handles special projects such as exhibits and events.

(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 (including those associated with endowment funds), 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:

Without donor restrictions – Net assets that are free of donor-imposed restrictions. All revenues, gains, and losses that are not restricted by donors are included in this classification.

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With donor restrictions – Net assets that are subject to donor-imposed restrictions. These net assets include donor restricted contributions that are subject to time or purpose restrictions and donor restricted endowments. Generally, the donors' imposed restrictions on the endowment fund permit the League and the Foundation to use all or part of the income earned on related investments for certain general or specific purposes.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of donor restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

(b) Use of Estimates

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 the fair value of alternative investments, net realizable value of contributions receivable, pension assumptions, and functional expense allocation. Actual results could differ from those estimates.

(c) Allocation of Functional Expenses

The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of ADL are reported as expenses of those functional areas. Expenses attributable to more than one program or supporting function are principally allocated based on headcount.

(d) Fair Value Measurements

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 to sell 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 or published 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 inputs other than quoted or published prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities.
- Level 3 inputs are unobservable inputs for the assets or liabilities.

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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.

(e) Cash and Cash Equivalents

Cash and cash equivalents represent highly liquid investments with original 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.

(f) Investments

Investments in short-term instruments, fixed income securities, mutual funds, equity securities and the equity investment trust are carried at fair value based on quoted or 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. The real estate limited partnership is stated at fair value based on an independent appraisal.

(g) Contributions

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 and less a discount for pledges due in future years. 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.

ADL reports gifts of cash and other assets as having donor restrictions if they are received with donor stipulations that limit their use, except for those restrictions met in the same fiscal year as received, which are reported as revenues without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities as net assets released from restrictions. Net assets released from restrictions related to endowment appropriations are reported as endowment return appropriated.

Donated assets and contributed services that meet the criteria for recognition are recorded at fair 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.

(h) Split-Interest Agreements

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 with or without donor restrictions in the accompanying consolidated

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statements of activities based on the absence or presence of donor imposed restrictions. The liabilities are adjusted annually for changes in the value of the assets and changes in the estimates of future benefits and are classified as Level 3 in the fair value hierarchy. The adjustments are recorded as change in the value of charitable trust and annuity agreements in the accompanying consolidated statements of activities. The present value of payments to the donors and beneficiaries of the annuities is calculated using a discount rate of 3.15% and 4.15% in 2019 and 2018, respectively.

(i) Fixed Assets

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

(j) Income Tax

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 reported and paid with the Internal Revenue Service Form 990-T (*Exempt Organization Business Income Tax Return*).

(k) Reclassification

Certain prior year financial statement amounts have been reclassified to be consistent with the current year financial statement presentation.

(l) Adoption of Accounting Pronouncement

ADL adopted Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and improves the guidance for contributions received and contribution made for the fiscal year ended December 31, 2019. The amendments in this ASU are intended to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. A contribution is conditional when it is subject to a donor-imposed condition that includes a right of return (either a return of assets transferred or a right of release from a promise to transfer assets) and a barrier that must be overcome before the recipient is entitled to the assets transferred or promised. The adoption of the ASU did not have a material impact on the consolidated financial statements.

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(3) Investments

Investments at fair value as of December 31, 2019 are as follows:

	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Invested cash and short-term investments \$	910,867	910,867	—	—
Fixed income securities – government	861,942	861,942	—	—
Mutual funds – equities:				
Domestic	10,126,728	9,735,599	391,129	—
International	14,899,012	14,563,758	335,254	—
Mutual funds – fixed income:				
Domestic	6,768,923	6,419,700	349,223	—
Mutual funds – real assets	5,064,678	5,064,678	—	—
Common stocks:				
Domestic	12,567,502	12,567,502	—	—
International	522,334	522,334	—	—
Real estate limited partnership (a)	5,394,852	—	—	5,394,852
Equity investment trust	5,712,339	5,712,339	—	—
	<u>62,829,177</u>	<u>56,358,719</u>	<u>1,075,606</u>	<u>5,394,852</u>
Investments reported at net asset value:				
Absolute return funds:				
Multi-strategy hedge funds	11,427,325			
Global opportunities hedge funds	3,620,869			
Equity long/short hedge funds	9,199,738			
Global equity hedge funds	3,367,753			
Distressed debt hedge funds	4,873,856			
Other	2,435,956			
Limited partnerships:				
Other	1,260,166			
Total investments reported at net asset value	<u>36,185,663</u>			
Total investments	<u>\$ 99,014,840</u>			

Prepaid expenses and other assets include a receivable of \$6.7 million for investment sold in 2019 for which collection had not been received.

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Investments at fair value as of December 31, 2018 are as follows:

	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Invested cash and short-term investments \$	883,542	883,542	—	—
Fixed income securities – government	1,223,372	1,019,072	204,300	—
Mutual funds – equities:				
Domestic	8,267,272	7,693,998	573,274	—
International	13,736,021	13,514,529	221,492	—
Mutual funds – fixed income:				
Domestic	3,831,394	3,622,931	208,463	—
Mutual funds – real assets	5,712,163	5,712,163	—	—
Common stocks:				
Domestic	11,382,228	11,382,228	—	—
International	639,143	639,143	—	—
Real estate limited partnership (a)	5,394,852	—	—	5,394,852
Equity investment trust	4,388,654	4,388,654	—	—
	<u>55,458,641</u>	<u>48,856,260</u>	<u>1,207,529</u>	<u>5,394,852</u>
Investments reported at net asset value:				
Absolute return funds:				
Multi-strategy hedge funds	14,519,794			
Global opportunities hedge funds	3,982,648			
Equity long/short hedge funds	9,135,322			
Global equity hedge funds	2,856,450			
Distressed debt hedge funds	4,592,222			
Other	1,717,917			
Limited partnerships:				
Other	1,093,413			
Total investments reported at net asset value	<u>37,897,766</u>			
Total investments	<u>\$ 93,356,407</u>			

(a) Represents a noncontrolling 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. Distributions are made when investments are realized.

There was no change in level 3 investments in 2019. The change of \$1.2 million in level 3 investments in 2018 was due to the appreciation in the fair value of the real estate limited partnership.

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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:

Multi-strategy hedge funds – includes investments in funds that pursue multiple investment strategies that attempt 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 – includes investments in funds that invest primarily in equity securities of Asian-Pacific and emerging market companies. A portion of the investment attempts to focus on event-driven investing while also using other hedging strategies.

Equity long/short hedge funds – 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.

Global equity hedge funds – includes investments in common stocks of non-U.S. domiciled companies. Investments include both large-cap and small-cap issuers as well as opportunistic exposure to issuers in the emerging markets.

Distressed debt hedge funds – includes investments in funds that attempt to invest opportunistically in troubled companies. Investments encompass distressed debt, private equity, real estate, high yield bonds, and a number of hedge fund strategies.

Other absolute return – includes investments in funds that invest mainly in private equity, venture capital and income-producing publically traded master limited partnerships.

Other limited partnerships – 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 of investments reported at net asset value is as follows as of December 31, 2019:

Redemption period	Amount
Daily with 30 days' notice	\$ 3,367,753
Monthly with 30–60 days' notice	6,448,331
Quarterly with 30–90 days' notice	20,579,788
Annually with 60–95 days' notice	1,260,166
Semi-Monthly with 5 days' notice	3,419,568
Closed end*	1,110,057
Total	\$ 36,185,663

* Distributions are made when investments are realized.

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Investments include charitable trust and annuity funds of approximately \$10.2 million and \$9.9 million at December 31, 2019 and 2018, respectively.

Investment return (loss) for the years ended December 31, 2019 and 2018 is summarized as follows:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 1,405,626	2,076,259
Net appreciation (depreciation) in fair value of investments	<u>13,135,392</u>	<u>(9,074,047)</u>
Total investment return (loss)	<u>\$ 14,541,018</u>	<u>(6,997,788)</u>
Reported in the consolidated statements of activities as follows:		
Without donor restrictions – operating	\$ 903,402	638,935
Without donor restrictions – nonoperating	302,881	(494,000)
With donor restrictions	<u>13,334,735</u>	<u>(7,142,723)</u>
Total investment return (loss)	<u>\$ 14,541,018</u>	<u>(6,997,788)</u>

(4) Contributions Receivable

Contributions receivable at December 31, 2019 and 2018 are scheduled to be collected as follows:

	<u>2019</u>	<u>2018</u>
Within one year	\$ 22,833,281	18,137,382
One to five years	14,470,275	7,639,447
More than five years	<u>682,466</u>	<u>522,466</u>
	37,986,022	26,299,295
Discount to present value at rates from 1.55% to 3.85%	(1,488,075)	(831,061)
Allowance for uncollectible contributions receivable	<u>(6,165,000)</u>	<u>(4,185,000)</u>
	<u>\$ 30,332,947</u>	<u>21,283,234</u>

In 2019 and 2018, 11% and 19% of contributions receivable is from one donor, respectively.

Conditional pledges are not included as support until the conditions are substantially met. In 2017, ADL received a \$5,000,000 conditional pledge for certain fellowships and programs, of which, \$1,000,000 was recognized in the consolidated statements of activities during fiscal 2019 and 2018 respectively. The remaining conditional pledge balance of \$2,000,000 has not been recognized in the consolidated statements of activities.

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Notes to Consolidated Financial Statements

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(5) Property and Equipment

The components of property and equipment and their estimated useful lives at December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>	<u>Useful lives</u>
Land	\$ 1,150,224	1,150,224	N/A
Buildings	4,150,445	4,150,445	30 years
Leasehold and building improvements	15,948,437	16,120,407	4–10 years
Furniture and equipment	10,785,196	9,438,319	3–5 years
Artwork	197,470	197,470	N/A
Total	32,231,772	31,056,865	
Less accumulated depreciation and amortization	<u>(23,370,705)</u>	<u>(21,826,654)</u>	
Net property and equipment	<u>\$ 8,861,067</u>	<u>9,230,211</u>	

(6) Employee Benefit Plans

The Anti-Defamation League Retirement Plan (the Plan) is a qualified, noncontributory defined benefit pension plan sponsored by ADL and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Effective December 31, 2010, the Plan was amended to freeze benefit accruals and participation under the Plan. The compensation amounts and service period used to calculate benefits were frozen on that date resulting in accrued benefits that will not change over time. As a result, the projected benefit obligation is equal to the accumulated benefit obligation, and there is no service cost recognized as a component of pension cost.

Prior to the Plan's freeze, all ADL employees were eligible to participate in the Plan except for leased employees, as defined under the Internal Revenue Code (Code), and employees who performed services for ADL for a non-U.S. subsidiary or affiliate of ADL. Eligible employees became participants in the Plan on the first day of the month following the period in which they were credited with at least 1,000 service hours. The Plan provides full vesting upon completion of five years of service. On the freeze date, the Plan was closed to new participants.

ADL's funding policy is to satisfy the minimum funding requirements of the Code and ERISA and to satisfy any funding obligations established by the Plan's administrator. For the Plan years ended December 31, 2019 and 2018, ADL's contributions met the minimum funding requirements of ERISA. On March 2, 2020, ADL made an additional contribution into the Plan in the amount of \$25 million.

The Plan's assets, which are held in trust by Wells Fargo Bank, N.A., as Trustee, are stated at fair value, and alternative investments are reported at net asset value. Plan assets are invested in accordance with the Plan's investment policy that sets forth a framework for the management and oversight of the assets, investment advisors, managers and funds of the Plan.

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The following table provides information with respect to the Plan as of December 31, 2019 and 2018 and for the years then ended:

	<u>2019</u>	<u>2018</u>
Projected benefit obligation	\$ 70,237,453	64,977,611
Plan assets, at fair value	<u>43,735,349</u>	<u>38,997,996</u>
Unfunded status	<u>\$ 26,502,104</u>	<u>25,979,615</u>
Net periodic benefit cost	\$ 651,673	519,636
Employer contributions	2,859,367	2,383,634
Benefits paid	3,870,923	3,726,392

The discount rate used to determine the pension benefit obligation was 3.15% and 4.15% at December 31, 2019 and 2018, respectively.

Weighted average assumptions used to determine net periodic benefit cost at December 31, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Discount rate	4.15 %	3.49 %
Expected return on plan assets	6.50	6.50
Rate of compensation increases	N/A	N/A

As of December 31, 2019, the Plan's targeted and actual asset allocations are as follows:

	<u>Target</u>	<u>Actual</u>
Receivables for investments sold	0%	— %
Invested cash and short-term investments	0%–5%	2
Mutual funds – fixed income	15%–45%	28
Mutual funds – equities	30%–50%	47
Absolute return funds	10%–30%	13
Limited partnership – real estate	5%–15%	10
Commodities	0%–5%	—
Total		<u>100 %</u>

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As of December 31, 2018, the Plan's targeted and actual asset allocations are as follows:

	<u>Target</u>	<u>Actual</u>
Receivables for investments sold	0%	— %
Invested cash and short-term investments	0%–5%	3
Mutual funds – fixed income	15%–45%	30
Mutual funds – equities	30%–50%	42
Absolute return funds	10%–30%	13
Limited partnership – real estate	5%–15%	9
Commodities	0%–5%	3
Total		<u>100 %</u>

The Plan's assets at fair value as of December 31, 2019 are as follows:

	<u>Fair value</u>	<u>Level 1</u>
Invested cash and short-term investments	\$ 967,237	967,237
Domestic – long only	2,113,663	2,113,663
Mutual funds – fixed income:		
Domestic	7,868,408	7,868,408
International	1,726,961	1,726,961
Balanced	2,737,346	2,737,346
Mutual funds – equities:		
Domestic	9,395,747	9,395,747
International	5,784,752	5,784,752
Balanced	3,133,222	3,133,222
	<u>33,727,336</u>	<u>33,727,336</u>
Investments reported at net asset value:		
Multi-strategy hedge fund	2,201,710	
Equity long/short hedge fund	3,301,132	
Limited partnership – real estate	4,505,171	
Total investments reported at net asset value	<u>10,008,013</u>	
Total investments	<u>\$ 43,735,349</u>	

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Notes to Consolidated Financial Statements

December 31, 2019 and 2018

The Plan's assets at fair value as of December 31, 2018 are as follows:

	<u>Fair value</u>	<u>Level 1</u>
Invested cash and short-term investments	\$ 1,351,300	1,351,300
Mutual funds – fixed income:		
Domestic	7,241,086	7,241,086
International	1,709,675	1,709,675
Balanced	2,633,132	2,633,132
Mutual funds – equities:		
Domestic	8,027,491	8,027,491
International	5,730,245	5,730,245
Balanced	2,610,573	2,610,573
Commodities trust	1,110,765	1,110,765
	<u>30,414,267</u>	<u>30,414,267</u>
Investments reported at net asset value:		
Multi-strategy hedge fund	2,055,896	
Equity long/short hedge fund	2,838,665	
Limited partnership – real estate	3,689,168	
	<u>8,583,729</u>	
Total investments reported at net asset value	<u>8,583,729</u>	
Total investments	<u>\$ 38,997,996</u>	

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:

Multi-strategy hedge fund – a fund that pursues multiple investment strategies that attempt 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 – a fund that seeks capital appreciation through investing in investment funds each of which utilizing various investment strategies including leverage.

Real estate limited partnership – a fund that invests in real estate securities. Depending on market conditions and opportunities, investments can shift between geographical regions in an attempt to enhance returns.

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Notes to Consolidated Financial Statements

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Information with respect to the redemption provisions of investments reported at net asset value is as follows as of December 31, 2019:

Redemption period	Amount
Monthly with 15 days' notice	\$ 4,505,171
Quarterly with 45 days' notice	3,301,132
Quarterly with 65 days' notice	2,201,710
Total	\$ 10,008,013

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

2020	\$ 4,348,000
2021	4,276,000
2022	4,289,000
2023	4,229,000
2024	4,239,000
2025–2029	19,750,000

As of December 31, 2019, and 2018, amounts charged to net assets without donor restrictions but not yet recognized as a component of net periodic benefit cost total \$36,639,167 and \$33,908,985, respectively. The estimated net actuarial loss that will be amortized into net periodic benefit cost during 2020 is \$1,158,086.

ADL offers a defined contribution plan, the Anti-Defamation League 403(b) Defined Contribution Plan (403(b) Plan), which was established on January 1, 2012 pursuant to Section 403(b) of the Code. The 403(b) Plan covers all eligible employees of ADL and is subject to the provisions of ERISA. Employees are immediately eligible to participate in the 403(b) Plan for the purposes of making employee elective deferral contributions up to the maximum permitted under the Code. To be eligible to receive employer matching and non-matching contributions, participants must have completed one year of service with ADL.

ADL makes an annual non-matching contribution on behalf of each participant who is eligible for such contribution. For the years ended December 31, 2019 and 2018, the employer non-matching contribution was equal to 1% of eligible employees' compensation (as defined). Effective January 1, 2017, the 403(b) Plan was amended to include a provision for employer matching contributions, which are made to participants' accounts on a bi-weekly payroll basis. For the years ended December 31, 2019 and 2018, ADL matched 25% of the first 6% of eligible compensation that a participant contributed to the 403(b) Plan. Participants are 100% vested in the employer contribution (non-matching and matching contributions) after three years of credited service.

For the years ended December 31, 2019 and 2018, ADL made contributions (non-matching and matching) totaling \$680,000 and \$603,000, respectively.

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Long-term pension obligations also include amounts for a supplemental pension arrangement with a former key employee.

(7) Net Assets

Net assets with purpose or time restrictions at December 31, 2019 and 2018 include the following restrictions:

	<u>2019</u>	<u>2018</u>
Regional operations	\$ 10,520,562	3,845,585
Education	13,183,355	9,364,459
Policy and programs	3,449,710	2,838,616
International affairs and interfaith programs	1,117,735	126,852
Leadership	147,369	47,451
Public awareness	350,000	236,550
Appropriated endowment gains for the general activities of ADL	521,691	304,398
Future periods	<u>6,206,611</u>	<u>4,266,712</u>
	<u>\$ 35,497,033</u>	<u>21,030,623</u>

Net assets with donor restrictions at December 31, 2019 and 2018 that are restricted to investment in perpetuity, the income from which is expendable to support the following:

	<u>2019</u>	<u>2018</u>
Regional operations	\$ 20,989,707	15,344,428
Education	25,857,448	20,308,364
Policy and programs	4,734,751	4,062,763
International affairs and interfaith programs	248,279	1,145,106
Leadership	5,269,608	4,770,835
General activities of ADL	<u>30,263,523</u>	<u>27,379,719</u>
	<u>\$ 87,363,316</u>	<u>73,011,215</u>

ADL's endowment, held entirely by the Foundation, consists of individual donor-restricted endowment funds established for a variety of purposes. In 2015, ADL established two board-designated endowment funds totaling \$3.5 million. As of December 31, 2019, the value of total board-designated endowments was \$3.6 million.

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The following tables present the changes in ADL's donor-restricted endowment funds, inclusive of pledges, for the years ended December 31, 2019 and 2018:

	2019		
	Without donor restrictions	With donor restrictions	Total
Endowment net assets at December 31, 2018	\$ 3,269,782	73,011,215	76,280,997
Investment income	43,683	987,791	1,031,474
Net appreciation (realized and unrealized)	416,257	9,899,595	10,315,852
Contributions	—	6,706,463	6,706,463
Appropriation for expenditure	(163,489)	(3,241,748)	(3,405,237)
Endowment net assets at December 31, 2019	<u>\$ 3,566,233</u>	<u>87,363,316</u>	<u>90,929,549</u>

	2018		
	Without donor restrictions	With donor restrictions	Total
Endowment net assets at December 31, 2017	\$ 3,763,860	77,128,564	80,892,424
Investment income	63,289	1,227,777	1,291,066
Net depreciation (realized and unrealized)	(369,174)	(7,255,613)	(7,624,787)
Contributions	—	5,108,879	5,108,879
Appropriation for expenditure	(188,193)	(3,198,392)	(3,386,585)
Endowment net assets at December 31, 2018	<u>\$ 3,269,782</u>	<u>73,011,215</u>	<u>76,280,997</u>

(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. Deficiencies of this nature are reported in net assets with donor restrictions in the accompanying consolidated balance sheets. As of December 31, 2019 and 2018, funds with an original gift value of \$24,592,549 and \$54,566,026, respectively, were "underwater" by \$605,817 and \$5,140,217, respectively. The investment policy permits spending of underwater endowments.

(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.

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(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 2029. 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 lease) and the difference between straight-lining the rental charges and actual payments are reported as deferred rent in the accompanying consolidated balance sheets. Total rent expense approximated \$5.9 million and \$5.6 million for the years ended December 31, 2019 and 2018, respectively. Minimum annual rentals are as follows:

Year ending December 31:		
2020	\$	4,901,000
2021		4,754,000
2022		4,572,000
2023		4,585,000
2024		4,594,000
2025 and thereafter		<u>11,556,000</u>
	\$	<u><u>34,962,000</u></u>

On October 29, 2015, the League entered into an 11-year sublease to rent 6,722 usable square feet of space within its National and New York City regional office beginning January 15, 2016. The lease terms provided for six months of tenant rent abatement. Future minimum rental receipts under the lease are as follows:

Year ending December 31:		
2020	\$	316,000
2021		343,000
2022		343,000
2023		343,000
2024		343,000
2025 and thereafter		<u>1,083,000</u>
	\$	<u><u>2,771,000</u></u>

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(b) Lines of Credit and Subsequent Borrowing

The League and the Foundation each have a \$5 million line of credit with the same financial institution. The interest rate on all borrowings is LIBOR plus 55 basis points or the prime rate, as selected by ADL. As of December 31, 2019 and 2018, the League and the Foundation each had an outstanding balance of \$4 million from these lines totaling \$8 million of borrowings under the credit lines. Interest paid for the years ended December 31, 2019 and 2018 was approximately \$224,000 and \$209,000, respectively. These lines are due March 1, 2021.

The League entered into a loan agreement with a financial institution on February 3, 2020 in the amount of \$30 million. The loan was refinanced on April 2, 2020 with an interest rate of 2.6% and matures on April 1, 2030. The loan is subject to certain financial covenants and is guaranteed by the Foundation. The proceeds of the loan were used to fund the \$25 million contributions to Anti-Defamation League Retirement Plan as indicated in note 6. The remaining balance of the loan has been set aside for potential funding of the Plan in the future.

(9) Liquidity and Availability

As of December 31, 2019 and 2018, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 24,168,981	20,807,348
Contributions receivable, net	30,332,947	21,283,234
Investments	<u>99,014,840</u>	<u>93,356,407</u>
Total financial assets available	<u>153,516,768</u>	<u>135,446,989</u>
Less those unavailable for general expenditure within one year, due to:		
Restricted by donors with time and purpose restrictions that will not be available in the next year	(14,333,336)	(11,287,869)
Endowment funds	<u>(87,363,316)</u>	<u>(73,011,215)</u>
Total amounts unavailable for general expenditures within one year	(101,696,652)	(84,299,084)
Less amounts unavailable to management without board's approval that are board-designated	(3,566,233)	(3,269,782)
Add subsequent year's endowment payout available for general expenditures	3,104,331	3,005,756
Add liquidity resources from other assets	6,725,399	—
Add liquidity resources from bank lines of credit	<u>2,000,000</u>	<u>2,000,000</u>
Total financial assets and liquidity resources available within one year	<u>\$ 60,083,613</u>	<u>52,883,879</u>

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ADL's cash flows have seasonal variations during the year attributable to a concentration of contributions received at year-end. To manage liquidity, ADL maintains lines of credit that are drawn upon as needed during the year to manage cash flows. Amounts outstanding under these lines of credit were \$8,000,000 as of December 31, 2019 and 2018. See note 8(b) for a description of the lines of credit. In addition, ADL manages its liquidity by developing and adopting annual operating and capital budgets that provide sufficient funds for general expenditures. Regular, monthly actual-to-budget/forecast comparison reporting at the department level and quarterly comparison reporting to actual and current budget occur.

(10) Subsequent Events

In connection with the preparation of the consolidated financial statements, ADL evaluated events after the consolidated balance sheet date of December 31, 2019 through August 27, 2020, which was the date the consolidated financial statements were available to be issued. ADL invests in various investment securities and relies on fundraising to support its operations. The spread of coronavirus (COVID-19) around the world in 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, ADL is unable to determine if it will have a material impact to its consolidated financial position and changes in net assets in the future. As of April 28, 2020, ADL received a \$7.4 million loan for the Paycheck Protection Program (PPP). The proceeds from the loan were used to pay payroll, rent and utilities. This loan will be forgiven if certain conditions are met.

No additional events have occurred that would require adjustments to or further disclosure in the accompanying consolidated financial statements.

**ANTI-DEFAMATION LEAGUE AND
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Consolidating Balance Sheet

December 31, 2019

Assets	League	Foundation	Eliminations	Consolidated total
Cash and cash equivalents	\$ 19,071,360	5,097,621	—	24,168,981
Contributions receivable, net	18,464,619	11,868,328	—	30,332,947
Prepaid expenses and other assets	1,590,959	9,853,289	—	11,444,248
Investments	575,655	98,439,185	—	99,014,840
Property and equipment, net	7,092,656	1,768,411	—	8,861,067
Due from the League	—	311,455	(311,455)	—
Total assets	<u>\$ 46,795,249</u>	<u>127,338,289</u>	<u>(311,455)</u>	<u>173,822,083</u>
Liabilities and Net Assets				
Liabilities:				
Accounts payable and accrued expenses	\$ 8,102,918	1,002,124	—	9,105,042
Borrowings under lines of credit	4,000,000	4,000,000	—	8,000,000
Deferred rent	5,768,532	—	—	5,768,532
Liabilities under charitable trusts and annuity agreements	—	6,917,475	—	6,917,475
Long-term pension obligations	24,511,559	2,650,210	—	27,161,769
Due to the Foundation	311,455	—	(311,455)	—
Total liabilities	<u>42,694,464</u>	<u>14,569,809</u>	<u>(311,455)</u>	<u>56,952,818</u>
Net assets (accumulated deficit):				
Net assets (deficit) without donor restrictions:				
Available for operations	4,138,754	13,465,698	—	17,604,452
Long-term pension obligations	(24,511,559)	(2,650,210)	—	(27,161,769)
Board-designated endowment	—	3,566,233	—	3,566,233
Total net assets (deficit), net of long-term pension obligations	<u>(20,372,805)</u>	<u>14,381,721</u>	<u>—</u>	<u>(5,991,084)</u>
Net assets with donor restrictions:				
Purpose restricted	24,473,590	11,023,443	—	35,497,033
Endowment fund	—	87,363,316	—	87,363,316
Total net assets with donor restrictions	<u>24,473,590</u>	<u>98,386,759</u>	<u>—</u>	<u>122,860,349</u>
Total net assets	<u>4,100,785</u>	<u>112,768,480</u>	<u>—</u>	<u>116,869,265</u>
Total liabilities and net assets	<u>\$ 46,795,249</u>	<u>127,338,289</u>	<u>(311,455)</u>	<u>173,822,083</u>

See accompanying independent auditors' report.

**ANTI-DEFAMATION LEAGUE AND
ANTI-DEFAMATION LEAGUE FOUNDATION**

Consolidating Statement of Activities

Year ended December 31, 2019

	<u>League</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated total</u>
Changes in net assets without donor restrictions:				
Operating revenues:				
Contributions (including the League's special events revenue of \$17,650,000)	\$ 61,611,177	7,809,073	—	69,420,250
Less:				
Provision for uncollectible contributions receivable	(1,500,000)	147,976	—	(1,352,024)
Direct special events expenses	(4,601,953)	—	—	(4,601,953)
Contributions, net	55,509,224	7,957,049	—	63,466,273
Rental income from the League	—	291,946	(291,946)	—
Endowment return expended and other investment return	—	4,145,150	—	4,145,150
Other income	1,549,329	—	—	1,549,329
Net assets released from restrictions in satisfaction of time and purpose	13,004,777	(1,210,230)	—	11,794,547
Transfer to the League from the Foundation	6,648,413	(6,648,413)	—	—
Total operating revenues	76,711,743	4,535,502	(291,946)	80,955,299
Operating expenses:				
Program services	58,799,349	2,115,957	(291,946)	60,623,360
Administration	9,061,066	1,060,040	—	10,121,106
Development	8,774,133	2,926,894	—	11,701,027
Total operating expenses	76,634,548	6,102,891	(291,946)	82,445,493
Excess (deficiency) of operating revenues over operating expenses	77,195	(1,567,389)	—	(1,490,194)
Nonoperating activities:				
Investment return greater than amount appropriated	6,430	296,451	—	302,881
Net periodic benefit cost	(586,506)	(65,167)	—	(651,673)
Pension charge other than net periodic benefit cost	(2,457,164)	(273,018)	—	(2,730,182)
Other, net	—	(60,281)	—	(60,281)
Transfer to the League from the Foundation	68,247	(68,247)	—	—
Total nonoperating activities	(2,968,993)	(170,262)	—	(3,139,255)
Decrease in net assets without donor restrictions	(2,891,798)	(1,737,651)	—	(4,629,449)
Changes in net assets with donor restrictions:				
Contributions:				
Endowment fund contributions (note 7)	—	6,706,463	—	6,706,463
Other restricted contributions	22,411,782	2,021,000	—	24,432,782
Total contributions with donor restrictions	22,411,782	8,727,463	—	31,139,245
Change in the value of charitable trust and annuity agreements	—	(619,174)	—	(619,174)
Investment return	—	13,334,735	—	13,334,735
Net assets released from restrictions:				
Satisfaction of time and purpose and reclassifications	(13,004,777)	1,210,230	—	(11,794,547)
Endowment return appropriated	—	(3,241,748)	—	(3,241,748)
Transfer to the League from the Foundation	1,049,656	(1,049,656)	—	—
Increase in net assets with donor restrictions	10,456,661	18,361,850	—	28,818,511
Increase in net assets	7,564,863	16,624,199	—	24,189,062
(Accumulated deficit) net assets at beginning of year	(3,464,078)	96,144,281	—	92,680,203
Net assets at end of year	\$ 4,100,785	112,768,480	—	116,869,265

See accompanying independent auditors' report.

**ANTI-DEFAMATION LEAGUE AND
ANTI-DEFAMATION LEAGUE FOUNDATION**

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

Year ended December 31, 2019

	Program services						Supporting services			Total expenses	
	Regional operations	Education	Policy and programs	International affairs and interfaith programs	Leadership	Marketing and communications	Total program services	Administration	Development		Total supporting services
Salaries	\$ 13,184,443	2,597,949	6,039,647	1,719,982	903,306	3,246,260	27,691,587	3,350,674	4,537,737	7,888,411	35,579,998
Personnel welfare and other related expenses	3,645,519	822,746	1,701,978	453,305	266,397	955,544	7,845,489	1,128,984	1,280,306	2,409,290	10,254,779
Total salaries and related expenses	<u>16,829,962</u>	<u>3,420,695</u>	<u>7,741,625</u>	<u>2,173,287</u>	<u>1,169,703</u>	<u>4,201,804</u>	<u>35,537,076</u>	<u>4,479,658</u>	<u>5,818,043</u>	<u>10,297,701</u>	<u>45,834,777</u>
Projects and functions	2,054,309	1,921,726	1,669,982	2,280,514	237,068	1,312,542	9,476,141	594,391	1,427,234	2,021,625	11,497,766
Office services and occupancy	3,625,398	795,995	2,025,699	456,906	390,309	1,431,755	8,726,062	2,595,759	1,308,405	3,904,164	12,630,226
Travel, meetings, and conferences	1,221,419	432,139	372,958	365,035	1,755,288	70,997	4,217,836	46,606	75,479	122,085	4,339,921
Research materials	14,157	1,276	197,816	3,886	213	40,724	258,072	18,763	96,159	114,922	372,994
Legal and financial	1,251	6,027	2,350	17,585	1,762	1,175	30,150	296,156	7,624	303,780	333,930
Other	148,077	92,170	95,237	99,061	71,509	47,958	554,012	1,029,733	41,189	1,070,922	1,624,934
Total operating expenses	<u>\$ 23,894,573</u>	<u>6,670,028</u>	<u>12,105,667</u>	<u>5,396,274</u>	<u>3,625,852</u>	<u>7,106,955</u>	<u>58,799,349</u>	<u>9,061,066</u>	<u>8,774,133</u>	<u>17,835,199</u>	<u>76,634,548</u>

See accompanying independent auditors' report.

**ANTI-DEFAMATION LEAGUE AND
ANTI-DEFAMATION LEAGUE FOUNDATION**

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

Year ended December 31, 2019

	Program services						Supporting services				Total expenses
	Regional operations	Education	Policy and programs	International affairs and interfaith programs	Leadership	Marketing and communications	Total program services	Administration	Development	Total supporting services	
Salaries	\$ 477,775	291,482	119,026	57,166	62,317	—	1,007,766	444,689	1,428,688	1,873,377	2,881,143
Personnel welfare and other related expenses	132,666	80,937	33,051	15,874	17,304	—	279,832	123,479	396,711	520,190	800,022
Total salaries and related expenses	610,441	372,419	152,077	73,040	79,621	—	1,287,598	568,168	1,825,399	2,393,567	3,681,165
Projects and functions	11,349	139,557	—	40	1,837	—	152,783	—	—	—	152,783
Office services and occupancy	247,323	170,011	95,797	37,623	39,252	—	590,006	162,048	584,794	746,842	1,336,848
Travel, meetings, and conferences	14,262	28,523	21,392	14,262	7,131	—	85,570	28,523	51,124	79,647	165,217
Research materials	—	—	—	—	—	—	—	3,000	144,843	147,843	147,843
Legal and financial	—	—	—	—	—	—	—	211,886	11,157	223,043	223,043
Other	—	—	—	—	—	—	—	86,415	309,577	395,992	395,992
Total operating expenses	\$ 883,375	710,510	269,266	124,965	127,841	—	2,115,957	1,060,040	2,926,894	3,986,934	6,102,891

See accompanying independent auditors' report.

**ANTI-DEFAMATION LEAGUE ANC
ANTI-DEFAMATION LEAGUE FOUNDATION**

Consolidating Statement of Cash Flows

Year ended December 31, 2019

	<u>League</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated total</u>
Cash flows from operating activities:				
Increase in net assets	\$ 7,564,863	16,624,199	—	24,189,062
Adjustments to reconcile increase in net assets to net cash used in operating activities:				
Pension charge other than net periodic benefit cost	2,457,164	273,018	—	2,730,182
Endowment fund contributions	—	(6,706,463)	—	(6,706,463)
Net appreciation in fair value of investments	—	(13,135,392)	—	(13,135,392)
Provision for uncollectible contributions receivable	1,500,000	(147,976)	—	1,352,024
Depreciation and amortization	1,483,311	60,740	—	1,544,051
Change in the value of charitable trust and annuity agreements	—	619,174	—	619,174
Changes in operating assets and liabilities:				
Contributions receivable	(10,758,983)	1,725,957	—	(9,033,026)
Prepaid expenses and other assets	(424,647)	(217,810)	—	(642,457)
Accounts payable and accrued expenses	833,044	303,016	—	1,136,060
Deferred rent	(653,354)	—	—	(653,354)
Long-term pension obligations	(2,141,152)	(220,770)	—	(2,361,922)
Net cash used in operating activities	<u>(139,754)</u>	<u>(822,307)</u>	<u>—</u>	<u>(962,061)</u>
Cash flows from investing activities:				
Proceeds from sale of investments	2,574,141	25,229,394	—	27,803,535
Purchase of investments	(2,830,497)	(17,496,079)	—	(20,326,576)
Receivable for investment sold	—	(6,725,399)	—	(6,725,399)
Acquisition of property and equipment	(1,170,903)	(4,004)	—	(1,174,907)
Net cash (used in) provided by investing activities	<u>(1,427,259)</u>	<u>1,003,912</u>	<u>—</u>	<u>(423,347)</u>
Cash flows from financing activities:				
Endowment fund contributions	—	6,706,463	—	6,706,463
Change in contributions receivable restricted for endowment	—	(1,368,711)	—	(1,368,711)
Payments to charitable gift annuitants	—	(966,110)	—	(966,110)
Proceeds from charitable trusts and annuity gifts in excess of amounts recognized as contributions	—	375,399	—	375,399
Amounts due to the Foundation	3,792,577	—	(3,792,577)	—
Amounts due from the League	—	(3,792,577)	3,792,577	—
Net cash provided by financing activities	<u>3,792,577</u>	<u>954,464</u>	<u>—</u>	<u>4,747,041</u>
Net increase in cash and cash equivalents	2,225,564	1,136,069	—	3,361,633
Cash and cash equivalents at beginning of year	16,845,796	3,961,552	—	20,807,348
Cash and cash equivalents at end of year	<u>\$ 19,071,360</u>	<u>5,097,621</u>	<u>—</u>	<u>24,168,981</u>

See accompanying independent auditors' report.