

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

**Anti-Defamation League and Anti-Defamation
League Foundation**

June 30, 2024

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of the
Anti-Defamation League
and
The Board of Trustees of the
Anti-Defamation League Foundation

Opinion

We have audited the consolidated financial statements of the Anti-Defamation League and the Anti-Defamation League Foundation (collectively, "ADL"), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Anti-Defamation League and the Anti-Defamation League Foundation as of June 30, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ADL's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ADL's ability to continue as a going concern for a reasonable period of time.

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

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of the Anti-Defamation League and Anti-Defamation League Foundation as of and for the year ended June 30, 2024 as a whole. The accompanying supplementary information on pages 23 through 26 is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements.

Such supplementary 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 consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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 supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

New York, New York
November 26, 2024

**Anti-Defamation League and
Anti-Defamation League Foundation**

CONSOLIDATED STATEMENT FINANCIAL POSITION

June 30, 2024

ASSETS

Cash and cash equivalents	\$ 43,952,040
Contributions receivable, net (Note 4)	53,764,124
Prepaid expenses and other assets	4,949,227
Assets under charitable trusts and annuity agreements (Note 3)	11,215,206
Investments (Note 3)	122,191,401
Right-of-use ("ROU") assets (Note 8)	18,821,371
Property and equipment, net (Note 5)	<u>6,614,833</u>
Total assets	<u><u>\$ 261,508,202</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued expenses	\$ 12,876,205
Liabilities under charitable trusts and annuity agreements	4,595,599
ROU liabilities (Note 8)	21,721,193
Debt (Note 8)	<u>18,179,261</u>
Total liabilities	<u><u>57,372,258</u></u>

Commitments and contingencies (Note 8)

Net assets

Net assets without donor restrictions	
Available for operations	<u>14,239,703</u>
Total net assets without donor restrictions	<u><u>14,239,703</u></u>
Net assets with donor restrictions (Note 7)	
Purpose and time restricted	73,191,471
Endowment fund	<u>116,704,770</u>
Total net assets with donor restrictions	<u><u>189,896,241</u></u>
Total net assets	<u><u>204,135,944</u></u>
Total liabilities and net assets	<u><u>\$ 261,508,202</u></u>

The accompanying notes are an integral part of this consolidated financial statement.

**Anti-Defamation League and
Anti-Defamation League Foundation**

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended June 30, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Operating revenues and support:			
Contributions (including special events revenue of \$14,137,000)	\$ 103,402,018	\$ 67,496,042	\$ 170,898,060
Endowment contributions	-	1,897,413	1,897,413
Less:			
Provision for uncollectible contributions receivable	-	(1,681,937)	(1,681,937)
Direct special events expenses	(1,779,949)	-	(1,779,949)
	101,622,069	67,711,518	169,333,587
Contributions, net			
	1,750,825	-	1,750,825
Other income	1,597,907	3,149,130	4,747,037
Endowment appropriation to the League	-	(4,747,037)	(4,747,037)
Endowment appropriation from the Foundation	54,497,064	(54,497,064)	-
Net assets released from donor restrictions in satisfaction of time and purpose	159,467,865	11,616,547	171,084,412
Total operating revenues and support			
Operating expenses:			
Program services:			
Regional operations	31,390,883	-	31,390,883
Education	12,321,538	-	12,321,538
Policy and programs	31,688,539	-	31,688,539
International affairs	5,510,616	-	5,510,616
Public awareness	15,587,013	-	15,587,013
	96,498,589	-	96,498,589
Supporting services:			
Administration	17,126,509	-	17,126,509
Development	20,530,735	-	20,530,735
	37,657,244	-	37,657,244
Total operating expenses	134,155,833	-	134,155,833
Excess of operating revenues over operating expenses	25,312,032	11,616,547	36,928,579
Nonoperating activities:			
Investment return	2,091,660	16,218,550	18,310,210
Change in the value of charitable trust and annuity agreements	-	375,169	375,169
	2,091,660	16,593,719	18,685,379
Total nonoperating activities			
Change in net assets	27,403,692	28,210,266	55,613,958
Net assets at beginning of year	(13,163,989)	161,685,975	148,521,986
Net assets at end of year	\$ 14,239,703	\$ 189,896,241	\$ 204,135,944

The accompanying notes are an integral part of this consolidated financial statement.

**Anti-Defamation League and
Anti-Defamation League Foundation**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2024

	Program Services					Supporting Services			Total Expenses	
	Regional Operations	Education	Policy and Programs	International Affairs	Public Awareness	Total Program Services	Administration	Development		Total Supporting Services
Salaries	\$ 19,053,741	\$ 6,611,000	\$ 13,596,794	\$ 1,780,701	\$ 5,587,331	\$ 46,629,567	\$ 5,851,793	\$ 5,678,500	\$ 11,530,293	\$ 58,159,860
Personnel welfare and other related expenses	4,634,149	1,683,413	3,727,480	271,970	1,495,363	11,812,375	1,764,149	1,552,758	3,316,907	15,129,282
Total salaries and related expenses	<u>23,687,890</u>	<u>8,294,413</u>	<u>17,324,274</u>	<u>2,052,671</u>	<u>7,082,694</u>	<u>58,441,942</u>	<u>7,615,942</u>	<u>7,231,258</u>	<u>14,847,200</u>	<u>73,289,142</u>
Professional fees and project support	1,756,371	1,715,187	8,961,278	2,588,700	4,449,806	19,471,342	5,211,055	7,812,967	13,024,022	32,495,364
Occupancy	2,191,164	961,746	1,861,809	269,491	813,570	6,097,780	1,178,240	1,724,946	2,903,186	9,000,966
Meetings and travel	1,578,629	295,562	1,061,743	293,035	2,566,833	5,795,802	1,218,977	1,522,984	2,741,961	8,537,763
Technology and telecommunications	958,960	422,792	1,721,627	142,956	362,678	3,609,013	650,746	796,196	1,446,942	5,055,955
Other non-personnel	668,292	392,173	311,536	97,649	179,203	1,648,853	988,232	1,012,640	2,000,872	3,649,725
Depreciation and amortization	549,577	239,665	446,272	66,114	132,229	1,433,857	263,317	429,744	693,061	2,126,918
Total operating expenses	<u>\$ 31,390,883</u>	<u>\$ 12,321,538</u>	<u>\$ 31,688,539</u>	<u>\$ 5,510,616</u>	<u>\$ 15,587,013</u>	<u>\$ 96,498,589</u>	<u>\$ 17,126,509</u>	<u>\$ 20,530,735</u>	<u>\$ 37,657,244</u>	<u>\$ 134,155,833</u>

The accompanying notes are an integral part of this consolidated financial statement.

**Anti-Defamation League and
Anti-Defamation League Foundation**

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30, 2024

Cash flows from operating activities:

Change in net assets	\$ 55,613,958
used in operating activities:	
Net appreciation in fair value of investments	(16,212,027)
Provision for uncollectible contributions receivable	(654,583)
Depreciation and amortization	2,126,918
Amortization of right-of-use assets	1,268,182
Change in the value of charitable trust and annuity agreements	(1,222,323)
Changes in operating assets and liabilities:	
Contributions receivable	(18,123,010)
Prepaid expenses and other assets	1,554,847
Accounts payable and accrued expenses	(1,130,685)
ROU liabilities	<u>(2,095,290)</u>
Net cash provided by operating activities	<u>21,125,987</u>

Cash flows from investing activities:

Proceeds from sale of investments	11,580,363
Purchase of investments	(2,063,914)
Acquisition of property and equipment	<u>(695,115)</u>
Net cash provided by investing activities	<u>8,821,334</u>

Cash flows from financing activities:

Change in contributions receivable restricted for endowment	(572,326)
Payments to charitable gift annuitants	(1,337,840)
Proceeds from charitable trusts and annuity gifts in excess of amounts recognized as contributions	649,527
Repayment of long-term debt	<u>(2,844,323)</u>
Net cash used in financing activities	<u>(4,104,962)</u>

Net increase in cash and cash equivalents 25,842,359

Cash and cash equivalents, beginning of year 18,109,681

Cash and cash equivalents, end of year \$ 43,952,040

Supplemental information:

Cash paid for interest	<u><u>\$ 521,448</u></u>
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The accompanying notes are an integral part of this consolidated financial statement.

**Anti-Defamation League and
Anti-Defamation League Foundation**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

NOTE 1 - ORGANIZATION

Anti-Defamation League (“League”) is a nonprofit organization formed in 1913 in response to an escalating climate of antisemitism and bigotry. Its timeless mission is to stop the defamation of the Jewish people and to secure justice and fair treatment to all. Today, the League continues to fight all forms of hate with the same vigor and passion. A global leader in exposing extremism, delivering education and fighting hate online, the League is the first call when acts of antisemitism occur. The League’s ultimate goal is a world in which no group or individual suffers from bias, discrimination or hate.

JLens was established in 2012 and is a leading Jewish values-based investor network. JLens is consolidated within the League’s financial position and results.

Anti-Defamation League Foundation (“Foundation”) was established in 1977 to assist the League in its principal objectives and to encourage and administer endowments. The Anti-Defamation League Foundation Common Fund, Inc. (“Common Fund”) is a private foundation that is consolidated within the Foundation’s financial position and results.

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

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

Regional Operations

Supervises and coordinates the ADL’s coast-to-coast network of regional offices. Establishes and monitors operating plans for each region, with a particular focus on priority programs and activities, including training for educators, students and law enforcement professionals; governmental advocacy; monitoring and exposing of extremist activity; victim assistance; promotion of intergroup collaboration and understanding; and response to hate crimes and bias incidents.

Education

Furtheres ADL’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.

Policy and Programs

Encompasses the work of National Affairs, the Center on Technology and Society; Law Enforcement and Community Security; and the Center on Extremism. The National Affairs 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 for Technology and Society, 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. 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.

**Anti-Defamation League and
Anti-Defamation League Foundation**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

International Affairs

Maintains contacts throughout Europe, Latin America, the Middle East, and the U.S. to understand political and social movements that impact antisemitism and bigotry. Observes and analyzes trends around the world related to antisemitism and related issues. Prepares and disseminates reports and data regarding Israel's security, U.S.-Israel relations and antisemitism in the Middle East. Initiates educational programs on the Middle East and Israeli issues, as well as on international best practices on fighting antisemitism 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.

Public Awareness

Manages awareness through published materials, national and regional websites, social media marketing, email marketing, direct mail campaigns, online video and public relations campaigns, communications, and managing relationships with 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 (reports, brochures, invitations newsletters, publications); and handles special projects such as exhibits and events.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and include the accounts of the League, Foundation, JLens, and Common Fund. All significant interorganizational balances and transactions have been eliminated in preparing the consolidated financial statements.

During 2023, the League and the Foundation adopted a board resolution to change its fiscal year to end to June 30. As a result, the accompanying consolidated financial statements have been prepared for the year ended June 30, 2024. The prior period for the six months ended June 30, 2023, are not comparable and therefore not presented with the accompanying consolidated financial statements.

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.

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 that 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

**Anti-Defamation League and
Anti-Defamation League Foundation**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

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.

Measure of Operations

ADL includes in its definition of operations all revenues and expenses that are integral to its programs and supporting activities. Amounts other than operating revenues and expenses are recognized as nonoperating activities, including investment return (loss), activities relative to charitable gift annuities and other nonrecurring items.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates include allowances for uncollectible receivables, the valuation of alternative investments and the allocation of expenses to functional classifications.

Allocation of Functional Expenses

The consolidated statement of functional expenses presents 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.

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.

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.

**Anti-Defamation League and
Anti-Defamation League Foundation**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

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 its long-term investment strategies, which are included in investments in the accompanying consolidated statement of financial position.

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 as of the measurement date. Investments in absolute return funds, limited partnerships, and other non-publicly 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.

Contributions

Contributions, including unconditional promises to give, are recorded as contributions in the accompanying consolidated statement 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 consolidated statement 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 at gift date. The fair value of all other assets is based on independent appraisal or estimates of proceeds to be received upon disposition.

Split-Interest Agreements

Contributions of assets placed in trusts in which ADL has a remainder interest and charitable gift annuities are recorded on 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 stipulated beneficiaries. Such contributions are recorded as with or without donor restrictions in the consolidated statement 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 2 in the fair value hierarchy. The adjustments are recorded as change in the value of charitable trust and annuity agreements in the consolidated statement of activities. The present value of payments to the donors and beneficiaries of the annuities is calculated using a variable discount rate ranging from 0.4% to 20% in the year ended June 30, 2024.

**Anti-Defamation League and
Anti-Defamation League Foundation**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

Fixed Assets

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

Leases

ADL determines if an arrangement is a lease at inception of the contract. ROU assets represent ADL's right to use the underlying assets for the lease term and lease liabilities represent ADL's obligation to make lease payments arising from the leases. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. ADL uses an estimated incremental borrowing rate, which is derived from information available at the lease commencement date, in determining the present value of lease payments. ADL determines this rate based on information obtained from its bankers, its secured debt fair value and publicly available data for instruments with similar characteristics.

ADL has elected not to recognize ROU assets and lease liabilities for short-term leases, which are defined as leases with a term of 12 months or less. Instead, lease payments for short-term leases are recognized on a straight-line basis over the lease term in rent expense and recorded within operating expenses in the statements of activities.

Income Tax

The League, Foundation, JLens, and Common Fund are recognized by the Internal Revenue Service as exempt from federal income tax under Section 501(a) of the IRC as charitable organizations qualifying under IRC Section 501(c)(3), except for income taxes pertaining to unrelated business income. Under U.S. GAAP, the tax effects from uncertain tax positions are to be recognized in the consolidated financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a tax authority.

ADL completed an analysis of its uncertain tax positions in accordance with applicable accounting guidance and determined there are no amounts to be recognized in the consolidated financial statements at June 30, 2024.

**Anti-Defamation League and
Anti-Defamation League Foundation**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

NOTE 3 - INVESTMENTS

Investments at fair value as of June 30, 2024 are as follows:

	Year Ended June 30, 2024			
	Fair Value	Level 1	Level 2	Level 3
Invested cash and short-term investments	\$ 15,563,702	\$ 15,563,702	\$ -	\$ -
Fixed income securities:				
Domestic (government)	3,008,692	3,008,692	-	-
Mutual funds - equities - domestic	53,683,140	52,194,024	1,489,116	-
Mutual funds - fixed income - domestic	9,390,183	9,390,183	-	-
Common stocks:				
Domestic	10,758,135	10,758,135	-	-
International	2,658,940	2,658,940	-	-
	<u>\$ 95,062,792</u>	<u>\$ 93,573,676</u>	<u>\$ 1,489,116</u>	<u>\$ -</u>
Investments reported at net asset value:				
Multi-strategy hedge funds	\$ 23,412,759			
Global opportunities hedge funds	5,239,675			
Equity long/short hedge funds	7,375,249			
Limited partnerships	<u>2,316,132</u>			
Total investments reported at net asset value	<u>38,343,815</u>			
Total investments	<u>\$ 133,406,607</u>			

Investments include charitable trust and annuity funds of approximately \$11.2 million at June 30, 2024.

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.

Limited partnerships - includes investments in a domestic limited partnerships, which invest in short-term liquid assets, stocks, and bonds. These partnerships may also buy and sell put and call options for hedging purposes.

**Anti-Defamation League and
Anti-Defamation League Foundation**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

Information with respect to the redemption provisions of investments reported at net asset value is as follows as of June 30, 2024:

<u>Redemption Period</u>	
Monthly with 30-60 days' notice	\$ 5,661,688
Quarterly with 30-90 days' notice	15,919,470
Annually with 60-95 days' notice	2,481,528
Semi-monthly with 5 days' notice	5,239,675
Closed end*	<u>9,041,454</u>
Total	<u>\$ 38,343,815</u>

* Distributions are made when investments are realized.

Total unfunded commitments of investments reported at net asset value was \$11.2 million as of June 30, 2024.

Investment return for the year ended June 30, 2024 is summarized as follows:

Interest and dividends	\$ 2,837,712
Net appreciation in fair value of investments	<u>15,472,498</u>
Total investment return	<u>\$ 18,310,210</u>
Reported in the consolidated statements of activities as follows:	
Without donor restrictions - nonoperating	\$ 2,091,660
With donor restrictions	<u>16,218,550</u>
Total investment return	<u>\$ 18,310,210</u>

NOTE 4 - CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable, net, as of June 30, 2024 are scheduled to be collected as follows:

Within one year	\$ 32,940,135
One to five years	25,753,231
More than five years	<u>1,086,000</u>
	59,779,366
Less:	
Discount to present value at rate of 5.13%	(2,041,575)
Allowance for uncollectible contributions receivable	<u>(3,973,667)</u>
	<u>\$ 53,764,124</u>

As of June 30, 2024, 15% of contributions receivable were due from a single donor.

**Anti-Defamation League and
Anti-Defamation League Foundation**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

NOTE 5 - PROPERTY AND EQUIPMENT, NET

The components of property and equipment, net, at June 30, 2024 is as follows:

		Useful Lives
Buildings	\$ 1,150,224	30 years
Leasehold and building improvements	24,206,236	2-20 years
Furniture and equipment	12,638,024	3-5 years
Artwork	197,470	N/A
Total	39,191,94	
Less: accumulated depreciation and amortization	(31,577,121)	
Net property and equipment	\$ 6,614,833	

NOTE 6 - EMPLOYEE BENEFIT PLANS

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 year ended June 30, 2024, the employer non-matching contribution was equal to 2% 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 year ended June 30, 2024, 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 year ended June 30, 2024, ADL made contributions (non-matching and matching) totaling \$1,494,324.

NOTE 7 - NET ASSETS

Net assets with donor-stipulated purpose or time restrictions at June 30, 2024 include the following:

Regional operations	\$	2,497,949
Education		9,435,217
Policy and programs		19,286,252
International affairs		2,457,487
Appropriated endowment gains for the general activities of ADL		131,117
Future periods		39,383,449
	\$	73,191,471

**Anti-Defamation League and
Anti-Defamation League Foundation**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

Net assets with donor restrictions at June 30, 2024 that are restricted to investment in perpetuity, the income from which is expendable to support the following:

Regional operations	\$ 32,308,035
Education	17,128,696
Policy and programs	17,692,588
International affairs	292,459
General activities of ADL	49,282,992
	<u>\$ 116,704,770</u>

The following tables present the changes in ADL's donor-restricted endowment funds, inclusive of pledges, for the year ended June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at June 30, 2023	\$ -	\$ 103,335,844	\$ 103,355,844
Investment income	-	2,638,009	2,638,009
Net appreciation (realized and unrealized)	-	13,580,541	13,580,541
Contributions	-	1,327,760	1,327,760
Appropriation for expenditure	-	(4,747,037)	(4,747,037)
Other adjustments	-	569,653	569,653
	<u>\$ -</u>	<u>\$ 116,704,770</u>	<u>\$ 116,704,770</u>
Endowment net assets at June 30, 2024	<u>\$ -</u>	<u>\$ 116,704,770</u>	<u>\$ 116,704,770</u>

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 consolidated statement of financial position. As of June 30, 2024, funds with an original gift value of \$2.9 million were "underwater" by \$0.2 million. The investment policy permits spending of underwater endowments.

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.

Spending Policy

The Foundation has a spending policy which allows for up to 5% of the average fair value of endowment funds, calculated at December 31, of the 3 preceding calendar-years, to be used in support of League operations on an annual basis.

**Anti-Defamation League and
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

The Board of Directors of ADL has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Accordingly, ADL classifies the original fair value of gifts donated to its permanent endowment, as part of net assets with donor restrictions. Any appreciation on such funds remains in net assets with donor restrictions until such amounts are appropriated for expenditure by ADL in a manner consistent with the standard of prudence prescribed by UPMIFA.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Operating lease cost is recognized on a straight-line basis over the lease term. Total lease expense for the year ended June 30, 2024 is \$7.6 million which is comprised of operating lease costs of \$5.6 million, variable costs of \$1.5 million and short term leases of \$0.5 million.

Supplemental cash flow information related to leases is as follows:

<u>Classification in Consolidated Statement of Financial Position</u>	<u>Year Ended June 30, 2024</u>
Cash paid for amounts included in measurements of lease liabilities:	
Operating cash outflows - payments on operating leases	<u>\$ 6,351,815</u>
ROU assets obtained in exchange for new lease obligations:	
Operating leases	<u>\$ 3,874,144</u>

Supplemental balance sheet information related to leases is as follows:

	<u>Year Ended June 30, 2024</u>
ROU assets	<u>\$ 18,821,371</u>
Total ROU liabilities	<u>\$ 21,721,193</u>

The weighted-average lease terms and discount rates for operating and finance leases at June 30, 2024 is as follows:

Weighted-average remaining lease terms (in years)	
Operating leases	4.0
Weighted-average discount rate	
Operating leases	2.2%

**Anti-Defamation League and
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

The future minimum rental commitments for all noncancelable operating and finance leases as of June 30, 2024 are as follows:

Year Ending June 30,	Operating Leases
2025	\$ 6,043,408
2026	6,348,715
2027	5,372,025
2028	2,117,617
2029	1,660,368
Thereafter	1,355,419
Total lease payments	22,897,552
Less: imputed interest	(1,176,359)
Total present value of lease liabilities	\$ 21,721,193

Lines of Credit and 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 equal to the sum of the greater of the SOFR Rate or Index Floor, plus 70 basis points as of June 30, 2024. As of June 30, 2024, the League and the Foundation had no outstanding balance. Interest and fees paid for the year ended June 30, 2024 totaled approximately \$0 and \$10,000, respectively. These lines are set to expire on March 1, 2025.

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 proceeds of the loan were used to fund the \$25 million contribution to Anti-Defamation League Retirement Plan. Interest paid for the year ended June 30, 2024 was approximately \$521,000. The average rate on all borrowings was 2.6% during the year ended June 30, 2024.

The scheduled future maturities of long-term debt as of June 30, 2024 is as follows:

Year Ending June 30,	
2025	\$ 2,921,607
2026	2,999,561
2027	3,079,595
2028	3,161,250
2029	3,246,113
Thereafter	2,771,135
	\$ 18,179,261

The loan is guaranteed by the Foundation and subject to certain financial covenants, one of which being the submission of consolidated and consolidating financial statements within two hundred forty (240) days of the fiscal year end, audited by a firm of independent certified accountants reasonably satisfactory to the lender. The League and the Foundation are in compliance for the year ended June 30, 2024.

**Anti-Defamation League and
Anti-Defamation League Foundation**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

As of June 30, 2024, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows:

Cash and cash equivalents	\$ 43,952,040
Contributions receivable, net	53,764,124
Investments and assets under charitable trust and annuity agreements	<u>133,406,607</u>
 Total financial assets available	 <u>231,122,771</u>
 Less: those unavailable for general expenditure:	
Restricted by donors with time and purpose restrictions	(73,191,471)
Restricted to investments held in perpetuity	<u>(116,704,770)</u>
 Total amounts unavailable for general expenditures within one year	 (189,896,241)
 Add: liquidity resources from bank lines of credit	 <u>10,000,000</u>
 Total financial assets and liquidity resources available within one year	 <u>\$ 51,226,530</u>

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. There were no amounts outstanding under these lines of credit as of June 30, 2024. See Note 8 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.

NOTE 10 - SUBSEQUENT EVENTS

In connection with the preparation of the consolidated financial statements, ADL evaluated events after the consolidated balance sheet date of June 30, 2024 through November 26, 2024, which was the date the consolidated financial statements were available to be issued and provided disclosure where appropriate.

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

SUPPLEMENTARY INFORMATION

**Anti-Defamation League and
Anti-Defamation League Foundation**

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

June 30, 2024

	<u>League</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
ASSETS				
Cash and cash equivalents	\$ 38,949,902	\$ 5,002,138	\$ -	\$ 43,952,040
Contributions receivable, net	33,931,395	19,832,729	-	53,764,124
Prepaid expenses and other assets	1,888,188	3,061,039	-	4,949,227
Assets under charitable trusts and annuity agreements	-	11,215,206	-	11,215,206
Investments	254,404	121,936,997	-	122,191,401
ROU assets	18,821,371	-	-	18,821,371
Property and equipment, net	5,061,993	1,552,840	-	6,614,833
Due to (from) the League	-	2,608,670	(2,608,670)	-
Total assets	<u>\$ 98,907,253</u>	<u>\$ 165,209,619</u>	<u>\$ (2,608,670)</u>	<u>\$ 261,508,202</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	\$ 11,907,352	\$ 968,853	\$ -	\$ 12,876,205
Liabilities under charitable trusts and annuity agreements	-	4,595,599	-	4,595,599
ROU liabilities	21,721,193	-	-	21,721,193
Debt	18,179,261	-	-	18,179,261
Due to (from) the Foundation	2,608,670	-	(2,608,670)	-
Total liabilities	<u>54,416,476</u>	<u>5,564,452</u>	<u>(2,608,670)</u>	<u>57,372,258</u>
Net assets				
Net assets (deficit) without donor restrictions:				
Available for operations	<u>(14,338,906)</u>	<u>28,578,609</u>	<u>-</u>	<u>14,239,703</u>
Total net assets (deficit) without donor restrictions	<u>(14,338,906)</u>	<u>28,578,609</u>	<u>-</u>	<u>14,239,703</u>
Net assets with donor restrictions				
Purpose and time restricted	58,829,683	14,361,788	-	73,191,471
Endowment fund	-	116,704,770	-	116,704,770
Total net assets with donor restrictions	<u>58,829,683</u>	<u>131,066,558</u>	<u>-</u>	<u>189,896,241</u>
Total net assets	<u>44,490,777</u>	<u>159,645,167</u>	<u>-</u>	<u>204,135,944</u>
Total liabilities and net assets	<u>\$ 98,907,253</u>	<u>\$ 165,209,619</u>	<u>\$ (2,608,670)</u>	<u>\$ 261,508,202</u>

This schedule should be read in conjunction with the accompanying consolidated financial statements and notes thereto and report of independent certified public accountants.

Anti-Defamation League and
Anti-Defamation League Foundation

CONSOLIDATING SCHEDULE OF ACTIVITIES

June 30, 2024

	League			Foundation			Eliminations	Consolidated Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		Total	Without Donor Restrictions	With Donor Restrictions
Contributions (including special events revenue of \$14,137,000)	\$ 79,425,476	\$ 67,496,042	\$ 146,921,518	\$ 23,976,542	\$ -	\$ 23,976,542	\$ -	\$ 103,402,018	\$ 67,496,042	\$ 170,898,060
Endowment contributions	-	-	-	-	1,897,413	1,897,413	-	-	1,897,413	1,897,413
Less:										
Provision for uncollectible contributions receivable	-	(1,168,260)	(1,168,260)	-	(513,677)	(513,677)	-	-	(1,681,937)	(1,681,937)
Direct special events expenses	(1,779,949)	-	(1,779,949)	-	-	-	-	(1,779,949)	-	(1,779,949)
Contributions, net	77,645,527	66,327,782	143,973,309	23,976,542	1,383,736	25,360,278	-	101,622,069	67,711,518	169,333,587
Rental income from the League	-	-	-	291,946	-	291,946	(291,946)	-	-	-
Other income	1,750,774	-	1,750,774	51	-	51	-	1,750,825	-	1,750,825
Endowment appropriation to the League	1,597,907	3,149,130	4,747,037	-	-	-	-	1,597,907	3,149,130	4,747,037
Endowment appropriation from the Foundation	-	-	-	-	(4,747,037)	(4,747,037)	-	-	(4,747,037)	(4,747,037)
Net assets released from donor restrictions in satisfaction of time and purpose	51,935,814	(51,935,814)	-	2,561,250	(2,561,250)	-	-	54,497,064	(54,497,064)	-
Transfer to the League from the Foundation	10,926,675	-	10,926,675	(10,926,675)	-	(10,926,675)	-	-	-	-
Total operating revenues	143,856,697	17,541,098	161,397,795	15,903,114	(5,924,551)	9,978,563	(291,946)	159,467,865	11,616,547	171,084,412
Operating expenses:										
Program services	96,338,430	-	96,338,430	452,105	-	452,105	(291,946)	96,498,589	-	96,498,589
Administration	15,782,645	-	15,782,645	1,343,864	-	1,343,864	-	17,126,509	-	17,126,509
Development	17,916,857	-	17,916,857	2,613,878	-	2,613,878	-	20,530,735	-	20,530,735
Total operating expenses	130,037,932	-	130,037,932	4,409,847	-	4,409,847	(291,946)	134,155,833	-	134,155,833
Excess of operating revenues over operating expenses	13,818,765	17,541,098	31,359,863	11,493,267	(5,924,551)	5,568,716	-	25,312,032	11,616,547	36,928,579
Nonoperating activities:										
Investment return	587,044	-	587,044	1,504,616	16,218,550	17,723,166	-	2,091,660	16,218,550	18,310,210
Change in the value of charitable trust and annuity agreements	-	-	-	-	375,169	375,169	-	-	375,169	375,169
Total nonoperating activities	587,044	-	587,044	1,504,616	16,593,719	18,098,335	-	2,091,660	16,593,719	18,685,379
Change in net assets	14,405,809	17,541,098	31,946,907	12,997,883	10,669,168	23,667,051	-	27,403,692	28,210,266	55,613,958
Net assets at beginning of year	(28,744,715)	41,288,585	12,543,870	15,580,726	120,397,390	135,978,116	-	(13,163,989)	161,685,975	148,521,986
Net assets at end of year	\$ (14,338,906)	\$ 58,829,683	\$ 44,490,777	\$ 28,578,609	\$ 131,066,558	\$ 159,645,167	\$ -	\$ 14,239,703	\$ 189,896,241	\$ 204,135,944

This schedule should be read in conjunction with the accompanying consolidated financial statements and notes thereto and report of independent certified public accountants.

Anti-Defamation League

SCHEDULE OF FUNCTIONAL EXPENSES

June 30, 2024

	Program Services					Supporting Services				Total Expenses
	Regional Operations	Education	Policy and Programs	International Affairs	Public Awareness	Total Program Services	Administration	Development	Total Supporting Services	
Salaries	\$ 19,053,741	\$ 6,611,000	\$ 13,596,794	\$ 1,780,701	\$ 5,244,967	\$ 46,287,203	\$ 5,079,462	\$ 4,788,354	\$ 9,867,816	\$ 56,155,019
Personnel welfare and other related expenses	4,634,149	1,683,413	3,727,480	271,970	1,385,622	11,702,634	1,525,158	1,267,431	2,792,589	14,495,223
Total salaries and related expenses	<u>23,687,890</u>	<u>8,294,413</u>	<u>17,324,274</u>	<u>2,052,671</u>	<u>6,630,589</u>	<u>57,989,837</u>	<u>6,604,620</u>	<u>6,055,785</u>	<u>12,660,405</u>	<u>70,650,242</u>
Professional fees and project support	1,756,371	1,715,187	8,961,278	2,588,700	4,449,806	19,471,342	5,136,670	6,374,562	11,511,232	30,982,574
Occupancy	2,483,110	961,746	1,861,809	269,491	813,570	6,389,726	1,065,805	1,724,946	2,790,751	9,180,477
Meetings and travel	1,578,629	295,562	1,061,743	293,035	2,566,833	5,795,802	1,218,977	1,522,984	2,741,961	8,537,763
Technology and telecommunications	958,960	422,792	1,721,627	142,956	362,678	3,609,013	650,746	796,196	1,446,942	5,055,955
Other non-personnel	668,292	392,173	311,536	97,649	179,203	1,648,853	886,823	1,012,640	1,899,463	3,548,316
Depreciation and amortization	549,577	239,665	446,272	66,114	132,229	1,433,857	219,004	429,744	648,748	2,082,605
Total operating expenses	<u>\$ 31,682,829</u>	<u>\$ 12,321,538</u>	<u>\$ 31,688,539</u>	<u>\$ 5,510,616</u>	<u>\$ 15,134,908</u>	<u>\$ 96,338,430</u>	<u>\$ 15,782,645</u>	<u>\$ 17,916,857</u>	<u>\$ 33,699,502</u>	<u>\$ 130,037,932</u>

This schedule should be read in conjunction with the accompanying consolidated financial statements and notes thereto and report of independent certified public accountants.

Anti-Defamation League Foundation

SCHEDULE OF FUNCTIONAL EXPENSES

June 30, 2024

	Program Services					Supporting Services				Total Expenses
	Regional Operations	Education	Policy and Programs	International Affairs	Public Awareness	Total Program Services	Administration	Development	Total Supporting Services	
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 342,364	\$ 342,364	\$ 772,331	\$ 890,146	\$ 1,662,477	\$ 2,004,841
Personnel welfare and other related expenses	-	-	-	-	109,741	109,741	238,991	285,327	524,318	634,059
Total salaries and related expenses	-	-	-	-	452,105	452,105	1,011,322	1,175,473	2,186,795	2,638,900
Professional fees and project support	-	-	-	-	-	-	74,385	1,438,405	1,512,790	1,512,790
Occupancy	-	-	-	-	-	-	112,435	-	112,435	112,435
Meetings and travel	-	-	-	-	-	-	-	-	-	-
Technology and telecommunications	-	-	-	-	-	-	-	-	-	-
Other non-personnel	-	-	-	-	-	-	101,409	-	101,409	101,409
Depreciation and amortization	-	-	-	-	-	-	44,313	-	44,313	44,313
Total operating expenses	\$ -	\$ -	\$ -	\$ -	\$ 452,105	\$ 452,105	\$ 1,343,864	\$ 2,613,878	\$ 3,957,742	\$ 4,409,847

This schedule should be read in conjunction with the accompanying consolidated financial statements and notes thereto and report of independent certified public accountants.