



GLAAD, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

GLAAD, INC.

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Independent Auditors' Report

The Board of Directors
GLAAD Inc.
New York, New York

Opinion

We have audited the financial statements of GLAAD Inc. (the "Organization"), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2024, and the changes in its net assets and its 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 in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Other Matter

The financial statements of the Organization for the year ended September 30, 2023 (fiscal year 2023), before the restatement described in Note 11, were audited by another auditor whose report dated August 27, 2024, expressed an unmodified opinion on those statements. As part of our audit of the September 30, 2024 financial statements, we also audited the adjustments described in Note 11 that were applied to restate the fiscal year 2023 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the fiscal year 2023 financial statements of the entity other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the fiscal year 2023 financial statements as a whole.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 the Organization'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

CBIZ CPAs P.C.

Washington, DC
July 22, 2025

GLAAD, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2024 and 2023

	2024	<i>As Restated</i> 2023
Assets		
Cash	\$ 2,818,158	\$ 4,910,424
Grants, contributions and other receivables, net	9,327,865	11,972,137
Prepaid expenses and other assets	451,154	697,414
Investments	32,661,284	34,076,941
Right-of-use asset	268,713	658,845
Total Assets	<u>\$ 45,527,174</u>	<u>\$ 52,315,761</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 2,006,617	\$ 2,530,677
Lease liability - operating	273,446	665,239
Deferred revenue	563,250	93,799
Total Liabilities	<u>2,843,313</u>	<u>3,289,715</u>
Net Assets		
Without donor restrictions:		
Undesignated	11,042,932	11,119,753
Designated	22,255,129	25,671,809
With donor restrictions	9,385,800	12,234,484
Total Net Assets	<u>42,683,861</u>	<u>49,026,046</u>
Total Liabilities and Net Assets	<u>\$ 45,527,174</u>	<u>\$ 52,315,761</u>

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

GLAAD, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Grants and contributions	\$ 5,056,099	\$ 4,750,170	\$ 9,806,269	\$ 16,445,525	\$ 4,563,545	\$ 21,009,070
Special events	5,311,323	--	5,311,323	4,711,864	--	4,711,864
Less: Direct benefit costs	(4,312,031)	--	(4,312,031)	(3,666,255)	--	(3,666,255)
Special events revenue, net	999,292	--	999,292	1,045,609	--	1,045,609
Program service revenue	1,590,399	--	1,590,399	2,496,500	--	2,496,500
In-kind contributions	3,281,289	--	3,281,289	798,975	--	798,975
Investment Income, net	3,592,006	--	3,592,006	1,259,148	--	1,259,148
Other income	5,950	--	5,950	14,411	--	14,411
Net assets released from restrictions:						
Satisfaction of purpose restrictions	6,612,294	(6,612,294)	--	4,770,521	(4,770,521)	--
Satisfaction of time restrictions	986,560	(986,560)	--	1,212,971	(1,212,971)	--
Total Revenue and Support	<u>22,123,889</u>	<u>(2,848,684)</u>	<u>19,275,205</u>	<u>28,043,660</u>	<u>(1,419,947)</u>	<u>26,623,713</u>
Expenses						
Program services						
Consulting and advisory	1,492,291	--	1,492,291	2,264,712	--	2,264,712
Education and training	4,836,469	--	4,836,469	4,532,812	--	4,532,812
Media advocacy	7,875,346	--	7,875,346	4,938,171	--	4,938,171
Research and reports	4,610,116	--	4,610,116	3,335,243	--	3,335,243
Total Program Services	<u>18,814,222</u>	<u>--</u>	<u>18,814,222</u>	<u>15,070,938</u>	<u>--</u>	<u>15,070,938</u>
Supporting services						
Management and general	1,501,378	--	1,501,378	1,534,448	--	1,534,448
Fundraising and development	5,301,790	--	5,301,790	4,860,861	--	4,860,861
Total Supporting Services	<u>6,803,168</u>	<u>--</u>	<u>6,803,168</u>	<u>6,395,309</u>	<u>--</u>	<u>6,395,309</u>
Total Expenses	<u>25,617,390</u>	<u>--</u>	<u>25,617,390</u>	<u>21,466,247</u>	<u>--</u>	<u>21,466,247</u>
Change in Net Assets	(3,493,501)	(2,848,684)	(6,342,185)	6,577,413	(1,419,947)	5,157,466
Net Assets, Beginning of Year, as restated	<u>36,791,562</u>	<u>12,234,484</u>	<u>49,026,046</u>	<u>30,214,149</u>	<u>13,654,431</u>	<u>43,868,580</u>
Net Assets, End of Year	<u>\$ 33,298,061</u>	<u>\$ 9,385,800</u>	<u>\$ 42,683,861</u>	<u>\$ 36,791,562</u>	<u>\$ 12,234,484</u>	<u>\$ 49,026,046</u>

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

GLAAD, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Consulting and Advisory	Education and Training	Media Advocacy	Research and Reports	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Salaries	\$ 802,652	\$ 1,648,960	\$ 2,970,776	\$ 353,854	\$ 5,776,242	\$ 2,343,153	\$ 514,407	\$ 2,857,560	\$ 8,633,802
Payroll taxes and benefits	<u>231,726</u>	<u>527,952</u>	<u>790,804</u>	<u>223,376</u>	<u>1,773,858</u>	<u>726,706</u>	<u>276,383</u>	<u>1,003,089</u>	<u>2,776,947</u>
Total Personnel Costs	1,034,378	2,176,912	3,761,580	577,230	7,550,100	3,069,859	790,790	3,860,649	11,410,749
Event expenses	9,802	733,290	4,141,297	11,683	4,896,072	45,949	4,934	50,883	4,946,955
Consultants	188,850	409,822	1,965,738	178,695	2,743,105	1,065,279	171,622	1,236,901	3,980,006
Professional fees	33,560	62,121	139,623	26,848	262,152	103,477	90,053	193,530	455,682
Media materials and publications	471	1,598	15,269	377	17,715	79,589	1,264	80,853	98,568
Other programmatic expenses	1,364	1,062,572	728,102	610,223	2,402,261	2,833	2,465	5,298	2,407,559
Travel	90,678	445,510	426,686	83,270	1,046,144	279,015	154,965	433,980	1,480,124
In-kind services	20,796	37,433	70,013	3,033,125	3,161,367	64,121	55,802	119,923	3,281,290
IT and telecommunications	29,542	57,583	147,113	23,619	257,857	198,582	78,263	276,845	534,702
Occupancy	38,358	69,045	129,140	31,084	267,627	118,272	102,928	221,200	488,827
Meetings and conferences	14,474	109,212	49,449	10,114	183,249	13,663	8,572	22,235	205,484
Bad debt	78	141	5,264	63	5,546	1,242	211	1,453	6,999
Direct mail expenses	--	--	--	--	--	134,943	--	134,943	134,943
Dues and subscriptions	14,991	18,697	55,504	6,461	95,653	23,688	16,444	40,132	135,785
Postage and printing	2,458	29,960	23,083	5,975	61,476	17,264	5,497	22,761	84,237
Insurance	7,572	13,629	25,491	6,057	52,749	23,346	20,317	43,663	96,412
Equipment lease and maintenance	5,912	10,396	32,112	4,620	53,040	20,815	15,498	36,313	89,353
Bank and credit card fees	558	1,000	2,014	433	4,005	75,323	1,452	76,775	80,780
Supplies	<u>1,037</u>	<u>1,155</u>	<u>3,468</u>	<u>914</u>	<u>6,574</u>	<u>3,083</u>	<u>1,309</u>	<u>4,392</u>	<u>10,966</u>
Total Functional Expenses	1,494,879	5,240,076	11,720,946	4,610,791	23,066,692	5,340,343	1,522,386	6,862,729	29,929,421
Less: expenses included with revenue on the statement of activities: Direct benefits costs	<u>(2,588)</u>	<u>(403,607)</u>	<u>(3,845,600)</u>	<u>(675)</u>	<u>(4,252,470)</u>	<u>(38,553)</u>	<u>(21,008)</u>	<u>(59,561)</u>	<u>(4,312,031)</u>
Total Expenses Included In The Expense Section of The Statement of Activities	<u>\$ 1,492,291</u>	<u>\$ 4,836,469</u>	<u>\$ 7,875,346</u>	<u>\$ 4,610,116</u>	<u>\$ 18,814,222</u>	<u>\$ 5,301,790</u>	<u>\$ 1,501,378</u>	<u>\$ 6,803,168</u>	<u>\$ 25,617,390</u>

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

GLAAD, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Consulting and Advisory	Education and Training	Media Advocacy	Research and Reports	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Salaries	\$ 740,727	\$ 1,313,621	\$ 2,924,500	\$ 360,018	\$ 5,338,866	\$ 2,243,095	\$ 548,042	\$ 2,791,137	\$ 8,130,003
Payroll taxes and benefits	<u>128,776</u>	<u>393,545</u>	<u>507,851</u>	<u>303,258</u>	<u>1,333,430</u>	<u>568,646</u>	<u>208,959</u>	<u>777,605</u>	<u>2,111,035</u>
Total Personnel Costs	869,503	1,707,166	3,432,351	663,276	6,672,296	2,811,741	757,001	3,568,742	10,241,038
Event expenses	39,904	161,349	3,632,491	73,084	3,906,828	52,222	10	52,232	3,959,060
Consultants	365,037	396,486	298,796	973,310	2,033,629	508,196	215,827	724,023	2,757,652
Professional fees	7,850	8,560	22,388	4,170	42,968	18,327	17,120	35,447	78,415
Media materials and publications	2,500	3,421	8,947	108,228	123,096	116,180	6,842	123,022	246,118
Other programmatic expenses	881,503	1,186,312	62,540	774,513	2,904,868	1,261	1,178	2,439	2,907,307
Travel	70,615	326,728	267,192	273,703	938,238	265,633	168,593	434,226	1,372,464
In-kind services	5,158	471,395	44,359	248,836	769,748	15,111	14,116	29,227	798,975
IT and telecommunications	42,873	63,165	153,985	56,241	316,264	531,129	117,328	648,457	964,721
Occupancy	54,977	75,232	202,230	36,890	369,329	161,074	150,465	311,539	680,868
Meetings and conferences	9,502	56,012	58,618	49,606	173,738	35,550	25,533	61,083	234,821
Bad debt	--	--	61,655	12	61,667	123,329	--	123,329	184,996
Direct mail expenses	--	--	--	--	--	155,640	--	155,640	155,640
Dues and subscriptions	6,256	23,657	23,593	32,332	85,838	33,409	17,028	50,437	136,275
Postage and printing	2,427	23,877	14,122	17,372	57,798	47,504	6,643	54,147	111,945
Insurance	8,765	11,994	31,370	5,843	57,972	25,680	23,989	49,669	107,641
Equipment lease and maintenance	5,938	18,764	20,833	10,618	56,153	18,212	15,901	34,113	90,266
Bank and credit card fees	6,562	8,980	23,485	4,375	43,402	23,705	17,959	41,664	85,066
Supplies	<u>1,089</u>	<u>3,441</u>	<u>5,451</u>	<u>2,834</u>	<u>12,815</u>	<u>3,439</u>	<u>2,980</u>	<u>6,419</u>	<u>19,234</u>
Total Functional Expenses	2,380,459	4,546,539	8,364,406	3,335,243	18,626,647	4,947,342	1,558,513	6,505,855	25,132,502
Less: expenses included with revenue on the statement of activities: Direct benefits costs	<u>(115,747)</u>	<u>(13,727)</u>	<u>(3,426,235)</u>	<u>--</u>	<u>(3,555,709)</u>	<u>(86,481)</u>	<u>(24,065)</u>	<u>(110,546)</u>	<u>(3,666,255)</u>
Total Expenses Included In The Expense Section of The Statement of Activities	<u>\$ 2,264,712</u>	<u>\$ 4,532,812</u>	<u>\$ 4,938,171</u>	<u>\$ 3,335,243</u>	<u>\$ 15,070,938</u>	<u>\$ 4,860,861</u>	<u>\$ 1,534,448</u>	<u>\$ 6,395,309</u>	<u>\$ 21,466,247</u>

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

GLAAD, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (6,342,185)	\$ 5,157,466
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Realized and unrealized gain on investments	(2,643,136)	(528,151)
Change in value of the discount on receivables	(129,439)	(112,028)
Amortization of right-of-use asset	390,132	375,413
Changes in assets and liabilities		
Grants, contributions and other receivables	2,773,711	1,574,477
Prepaid expenses and other assets	246,260	69,224
Accounts payable and accrued expenses	(524,060)	1,213,394
Deferred revenue	469,451	(876,351)
Lease liability - operating	<u>(391,793)</u>	<u>(369,019)</u>
Net Cash (Used In) Provided by Operating Activities	<u>(6,151,059)</u>	<u>6,504,425</u>
Cash Flows to Investing Activities		
Purchase of investments	(13,928,820)	(19,515,747)
Proceeds from sale of investments	<u>18,240,831</u>	<u>3,024,957</u>
Net Cash Provided by (Used in) Investing Activities	<u>4,312,011</u>	<u>(16,490,790)</u>
Net Decrease in Cash	(1,839,048)	(9,986,365)
Cash, Beginning of Year	<u>5,299,549</u>	<u>15,285,914</u>
Cash, End of Year	<u><u>\$ 3,460,501</u></u>	<u><u>\$ 5,299,549</u></u>
Cash at End of Year		
Cash	\$ 2,818,158	\$ 4,910,424
Cash within investments	<u>642,343</u>	<u>389,125</u>
Total Cash	<u><u>\$ 3,460,501</u></u>	<u><u>\$ 5,299,549</u></u>

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

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 1 – ORGANIZATION

GLAAD, Inc. (“GLAAD”), is a non-profit organization that has been granted exempt status under section 501(c)(3) of the Internal Revenue Code.

Mission: As the world’s LGBTQ media advocacy organization, GLAAD ensures fair, accurate, and inclusive representation that leads to 100% acceptance.

Mission Full: Founded forty years ago, GLAAD is the world’s lesbian, gay, bisexual, transgender, and queer (“LGBTQ”) media advocacy organization promoting and ensuring fair, accurate, and inclusive representation of people and issues across all forms of media to build a culture that embraces full acceptance of LGBTQ people. Through education, storytelling, and advocacy, GLAAD reaches mainstream audiences and builds support for equality.

Program statements:

The GLAAD Media Institute (GMI) encompasses consulting and advisory work, education and training, research and reports. GMI works with and enables media outlets, brands, podcasts, creators, organizations, journalists, advocates, allies, and others, to learn skills and techniques to bring positive change to LGBTQ people.

Consulting and Advisory

GLAAD’s Consulting and Advisory programs provide media outlets, organizations, and others with expert guidance on current LGBTQ issues, as well as fair and accurate representation. The GMI also consults with entertainment media to ensure stories accurately reflect the community.

Education and Training

GLAAD’s Education and Training programs teach individual advocates, as well as national and local organizations, through briefings and media training. The GMI also briefs industry leaders on current LGBTQ issues. By using the best practices perfected by GLAAD for 40 years of media advocacy, we equip new advocates to accelerate acceptance and visibility.

Research and Reports

GLAAD’s Research and Reports provide data and thought leadership to measure representation and public sentiment. The GMI currently produces seven annual reports across industries including film, TV, gaming, social media, advertising, and news. The GMI also produces annual public opinion polls that measure public sentiment of LGBTQ people and topics such as HIV. Data informs GLAAD’s advocacy, outreach, and messaging.

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 1 – ORGANIZATION (CONTINUED)

Media Advocacy

GLAAD's Media Advocacy programs play a pivotal role in combating misinformation and telling diverse stories that reach mainstream audiences with fair and accurate information about community members and issues. As part of GLAAD's media advocacy, the GLAAD Media Awards recognize fair, accurate and inclusive media representations of LGBTQ people and issues. With over 30 English and Spanish-language categories that span entertainment, news, and new media, the Awards raise the bar for representation across media industries.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting.

GRANTS, CONTRIBUTIONS AND OTHER RECEIVABLES

Receivables consist of unconditional grants, contributions and contracts from foundations and corporations. GLAAD uses the allowance method to record potentially uncollectable accounts based upon review of account balances and historical experience.

Receivables from program service revenue is also included in other receivables and totaled \$121,267 and \$227,500 at September 31, 2024 and 2023, respectively. GLAAD provides an allowance based on management's analysis of historical collectability as well as expected future losses. As of September 30, 2024 and 2023, all amounts were due within one year and are considered to be fully collectible.

INVESTMENTS

Investments, other than cash, are valued at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales are recorded on a trade-date basis. Unrealized gains or losses are determined by the change in fair value at the beginning and end of the reporting period and included in investment income in the accompanying statement of activities. Realized gains and losses on sales of investments are computed on an average cost basis and are recorded on the trade date of the transaction and included in investment income in the accompanying statement of activities.

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL RISK

GLAAD maintains its cash in bank deposit accounts which may at times exceed the federally-insured limit of \$250,000 per depositor per bank. GLAAD has not incurred losses in such accounts and believes it is not exposed to any significant financial risk on cash.

GLAAD holds investments in the form of bonds, mutual and exchange traded funds, certificates of deposits and money market funds. The Board of Directors routinely reviews market values and governing policies of these investments.

FAIR VALUE MEASUREMENT

GLAAD has categorized its applicable financial assets and liabilities into a required fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability. The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.

Level 3 – Unobservable inputs for the asset or liability, including the reporting entity's own assumptions in determining the fair value measurement.

RIGHT-OF-USE ASSET AND LEASE LIABILITY

At the inception of an agreement, GLAAD evaluates whether the agreement meets the criteria for a lease. The right-of-use asset and lease liability are recognized at the commencement date of the lease agreement based on the present value of lease payments over the lease term using a risk-free rate of return that coincides with the date and term of the lease and is adjusted for lease incentives. The asset is amortized over the lease term and is reflected as occupancy expense in the accompanying financial statements. The lease liability is reduced as cash payments are made under the terms of the lease. Short-term operating leases, which have an initial term of 12 months or less, are not recorded on the statement of financial position. Instead, the lease payments of those leases are reported as rent expense on a straight-line basis over the lease term.

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET ASSETS

Net assets, 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:

Net assets without donor restrictions are available for use in general operations and are not subject to donor restrictions. The governing board has designated \$22,255,129 and 25,671,809 as of September 30, 2024 and 2023, respectively, of net assets without donor restrictions for an operating reserve. The designated amount is targeted to cover approximately 9-12 months of expenses.

Net assets with donor restrictions represent funds that are specifically restricted by donors. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. GLAAD has no net assets with donor restrictions that are required to be maintained in perpetuity.

REVENUE AND REVENUE RECOGNITION

GLAAD recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Unconditional grants and contributions are considered available for use unless specifically restricted by the donor or due to time. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases in net assets with donor restrictions. Amounts received that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the revenue is recognized. Unconditional promises to give are recognized as revenue in the year in which they are promised and, if uncollected, are reflected as grants, contributions and other receivables in the accompanying statement of financial position. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose of a restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions. Conditional promises to give - that is, those with a measurable performance or other barriers and a right of return - are not recognized until the conditions on which they depend have been met. There were no conditional contributions as of September 30, 2024 and 2023.

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE AND REVENUE RECOGNITION (CONTINUED)

Special events revenue consists of unconditional contributions for events as well as event registrations. Event registrations are recognized at the point in time when the event occurs. Registrations received in advance of the event are recorded as deferred revenue.

Program service revenue consists of revenue from training and consulting services and is recognized at the point in time the training or consulting services are provided. Program service revenue collected but not yet earned is included in deferred revenue. Deferred revenue related to program service revenue totaled \$93,799 and \$280,000 at October 1, 2023 and 2022, respectively, and \$563,250 and \$40,000 at September 30, 2024 and 2023, respectively.

IN-KIND CONTRIBUTIONS

In-kind contributions include professional services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. These in-kind professional services are recorded at their estimated fair value based on prevailing hourly rates and number of hours contributed on the date of receipt. In-kind contributions also include donated public service announcements for ads highlighting GLAAD's mission and programs. Donated public services announcements are recorded at the estimated fair value of the airtime which is the price the broadcaster would charge for the same airtime if it were sold to a paying advertiser. For the years ended September 30, 2024 and 2023, GLAAD recorded total in-kind contributions of legal and consulting services in the amount of \$1,994,802 and \$798,975, respectively. Additionally, during the year ended September 30, 2024, GLAAD recorded in-kind contributions of public service announcement in the amount of \$1,286,487.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing GLAAD's program and supporting services have been presented in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. During the year, expenses are accumulated as either direct or indirect. Indirect costs such as payroll taxes and benefits, occupancy, insurance and property taxes are allocated among programs and supporting services based on salaries.

INCOME TAXES

GLAAD is exempt from the payment of taxes on income other than net unrelated business income under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES (CONTINUED)

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by GLAAD in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination.

GLAAD's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed. It is GLAAD's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense. As of September 30, 2024 and 2023, GLAAD had no accruals for interest and/or penalties.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses during the reporting period. Actual results could differ from those estimates.

ACCOUNTING PRONOUNCEMENT ADOPTED

In June 2016, the Financial Accounting Standards Board (FASB) issued guidance Accounting Standards Codification (ASC326), Current Expected Credit Losses, which changed how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by GLAAD that are subject to the guidance in FASB ASC 326 were accounts receivables from program service revenue. GLAAD adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following as of September 30:

	2024	2023
Cash	\$ 2,818,158	\$ 4,910,424
Grants, contributions and other receivables, net	9,327,865	11,972,137
Investments	<u>32,661,284</u>	<u>34,076,941</u>
Total Financial Assets Available Within One Year	44,807,307	50,959,502
Less amounts not available within one year:		
Board designated net assets	(22,255,129)	(25,671,809)
Net assets with donor restrictions	<u>(9,385,800)</u>	<u>(12,234,484)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 13,166,378</u></u>	<u><u>\$ 13,053,209</u></u>

GLAAD has various sources of liquidity at its disposal, including cash and investments, which are available for general expenditures, liabilities, and other obligations as they come due. Management is focused on sustaining the financial liquidity of GLAAD throughout the year. This is done through monitoring and reviewing cash flow needs on a weekly basis. As a result, management is aware of the cyclical nature of GLAAD's cash flow related to GLAAD's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. GLAAD can liquidate its investments anytime, and therefore the investments are available to meet current cash flow needs. Additionally, GLAAD has board-designated net assets that could be available for current operations with Board approval, if necessary.

NOTE 4 – GRANTS, CONTRIBUTIONS AND OTHER RECEIVABLES

Grants, contributions and other receivables are recorded at net realizable value if expected to be collected within one year and at the present value of the estimated future cash flows if expected to be collected in future years. These receivables principally consist of unconditional contributions.

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 4 – GRANTS, CONTRIBUTIONS AND OTHER RECEIVABLES (CONTINUED)

At September 30, 2024, all were deemed to be fully collectible. Accordingly, no allowance has been recorded. A discount rate of 2% has been used to calculate the present value of multiyear receivables. Grants, contributions and other receivables are expected to be collected as follows:

	2024	2023
Within one year	\$ 2,222,147	\$ 3,995,859
One to five years	5,000,000	5,000,000
Thereafter	<u>4,000,000</u>	<u>5,000,000</u>
	11,222,147	13,995,859
Less: Unamortized discount on multiyear receivables	<u>(1,894,282)</u>	<u>(2,023,722)</u>
Grants, Contributions and Other Receivables	<u>\$ 9,327,865</u>	<u>\$ 11,972,137</u>

At September 30, 2024 and 2023, 87% and 79%, respectively, of GLAAD's receivable balance is due from one donor and represents a concentration.

NOTE 5 – INVESTMENTS

Investments consist of the following at September 30:

	2024	2023
Government and corporate bonds	\$ 9,066,687	\$ 12,869,685
Certificates of deposit	8,345,612	5,465,183
Exchange traded equity funds	4,934,941	3,095,119
Equity mutual funds	3,661,464	3,126,174
Exchange traded bond funds	2,764,031	3,204,722
Money market funds	1,742,642	5,022,277
Bond mutual funds	1,290,342	904,656
Cash	642,343	389,125
International bonds	<u>213,222</u>	<u>--</u>
Total Investments	<u>\$ 32,661,284</u>	<u>\$ 34,076,941</u>

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 6 – FAIR VALUE MEASUREMENTS

The following table summarizes the balances of assets measured at fair value on a recurring basis as of September 30, 2024:

	Fair Value	Level 1	Level 2	Level 3
Investments:				
Government and corporate bonds	\$ 9,066,687	\$ --	\$ 9,066,687	\$ --
Certificates of deposit	8,345,612	--	8,345,612	--
International bonds	213,222	--	213,222	--
Exchange traded equity funds	4,934,941	4,934,941	--	--
Equity mutual funds	3,661,464	3,661,464	--	--
Exchange traded bond funds	2,764,031	2,764,031		
Money market funds	1,742,642	1,742,642	--	--
Bond mutual funds	<u>1,290,342</u>	<u>1,290,342</u>	<u>--</u>	<u>--</u>
Total Investments Measured in the Fair Value Hierarchy	32,018,941	<u>\$ 14,393,420</u>	<u>\$ 17,625,521</u>	<u>\$ --</u>
Cash	<u>642,343</u>			
Total Investments	<u>\$ 32,661,284</u>			

The following table summarizes the balances of assets measured at fair value on a recurring basis as of September 30, 2023:

	Fair Value	Level 1	Level 2	Level 3
Investments:				
Government and corporate bonds	\$ 12,869,685	\$ --	\$ 12,869,685	\$ --
Certificates of deposit	5,465,183	--	5,465,183	--
Money market funds	5,022,277	5,022,277	--	--
Exchange traded bond funds	3,204,722	3,204,722	--	--
Equity mutual funds	3,126,174	3,126,174	--	--
Exchange traded equity funds	3,095,119	3,095,119	--	--
Bond mutual funds	<u>904,656</u>	<u>904,656</u>	<u>--</u>	<u>--</u>

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 6 – FAIR VALUE MEASUREMENTS (CONTINUED)

	Fair Value	Level 1	Level 2	Level 3
<i>(continued)</i>				
Total Investments Measured in the Fair Value Hierarchy	\$ 33,687,816	\$ 15,352,948	\$ 18,334,868	\$ --
Cash	389,125			
Total Investments	\$ 34,076,941			

Money market funds, exchange traded bond funds, equity mutual funds, exchange traded equity funds and bond mutual funds - These instruments are valued using the net asset value of shares held at year-end and based on quoted market prices in active markets. Where quoted prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy.

Certificates of deposit - Fair value is based on a present value technique with an interest rate based on the current market rate for a certificate of deposit with similar remaining maturity.

Government and corporate bonds and international bonds - Fair values are estimated using pricing models, such as matrix pricing, quoted prices of securities with similar characteristics or discounted cash flows.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

RIGHT OF USE ASSET AND LEASE LIABILITY

The ROU asset represents GLAAD's right to use the underlying asset for the lease term, and the lease liability represent GLAAD's obligation to make lease payments arising from the lease. The ROU asset and lease liability arose from an operating lease and was calculated based on the present value of future lease payments over the lease terms. GLAAD has made an accounting policy election to use a risk-free rate of 3.88% in lieu of its incremental borrowing rate to discount future lease payments.

In January 2022, GLAAD extended the term of its existing office space lease through May 31, 2025. For the years ended September 30, 2024 and 2023, total operating lease expense was \$409,060 each year and is included in occupancy in the accompany statement of functional expenses. Cash paid for operating leases for the years ended September 30, 2024 and 2023, totaled \$410,720 and \$402,667, respectively. The maturity of the operating lease liability as of September 30, 2024, was \$273,446 for the year ending September 30, 2025.

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 7 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

RIGHT OF USE ASSET AND LEASE LIABILITY (CONTINUED)

In January 2025, GLAAD signed a modification to the lease whereby the lease was extended for one year and shall expire on May 31, 2026, at \$35,373 per month during the modification period.

LINE OF CREDIT

GLAAD maintained a revolving line of credit with a bank with a limit of \$2,000,000. The borrowings bear interest at the greater of 2.5% per year or the Prime Rate of City National Bank plus 0.5% per year. The line of credit matured on August 30, 2024, and was not renewed. As of September 30, 2024, the balance on the line of credit was zero, and no amounts were drawn during 2024 or 2023.

LITIGATION

From time to time, GLAAD is a party to litigation arising out of its business operations. It is the opinion of management and GLAAD's legal counsel that at the present time it is not anticipated that the settlement or resolution of any such existing matters will have a material adverse impact on GLAAD's financial condition, liquidity, or results of operations.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at September 30:

	2024	2023
Time Restrictions	\$ 7,320,717	\$ 8,352,278
Purpose Restrictions:		
Shattering Stigma & Accelerating Acceptance Through Entertainment Media	1,636,868	2,752,261
Sustaining Momentum & Building Diversity in the Fight Against HIV	--	564,541
LGBTQ Emerging Artists Program	423,215	423,215
Rainbow Election Fund	5,000	142,189
Total Purpose Restrictions	2,065,083	3,882,206
Net Assets With Donor Restrictions	\$ 9,385,800	\$ 12,234,484

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 9 – EMPLOYEE BENEFIT PLAN

GLAAD has an Internal Revenue Code Section 403(b) qualified defined contribution retirement plan covering all of its employees, subject to certain eligibility requirements. GLAAD makes contributions at designated percentages of earnings in accordance with plan provisions. Employer contribution and administrative fees under this plan for the years ended September 30, 2024 and 2023 were \$244,669 and \$139,742, respectively.

NOTE 10 – RECLASSIFICATIONS

Certain 2023 functional expense information has been reclassified to conform to the 2024 presentation.

NOTE 11 – PRIOR PERIOD ADJUSTMENT

Subsequent to the issuance of the financial statements for the year ended September 31, 2023, GLAAD identified an error whereby an unconditional contribution with donor restrictions was improperly fully released from donor restrictions during the year ended September 30, 2021. The correction adjusts the amount of net assets with donor restrictions and net assets without donor restrictions during the years ended September 30, 2023 and 2022 as follows:

	As Previously Reported	Adjustment	As Restated
September 30, 2022:			
Net assets without donor restrictions	\$ 34,065,681	\$ (3,851,532)	\$ 30,214,149
Net assets with donor restrictions	\$ 9,802,899	\$ 3,851,532	\$ 13,654,431
September 30, 2023:			
Net assets without donor restrictions	\$ 39,543,823	\$ (2,752,261)	\$ 36,791,562
Net assets with donor restrictions	\$ 9,482,223	\$ 2,752,261	\$ 12,234,484

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 22, 2025, the date the financial statements were available to be issued. Other than the modification of the office lease agreement disclosed in Note 7, there were no events or transactions during this period that require recognition or disclosure in these financial statements.