

GLAAD, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2015

CONTENTS

Independent Auditors' Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-16

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
GLAAD, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of GLAAD, Inc. (a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 2015, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GLAAD, Inc. as of December 31, 2015, 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.

INDEPENDENT AUDITORS' REPORT

continued

Other Information

Summarized Comparative Information

We have previously audited Gay & Lesbian Alliance Against Defamation, Inc.'s (now known as GLAAD, Inc.) 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 22, 2015. In our opinion, the summarized comparative information presented herein as of and for the year December 31, 2014, is consistent, in all material respect, with the audited financial statements from which it was has been derived.

Harrington Group

Pasadena, California

April 29, 2016

GLAAD, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2015

With comparative totals at December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015</u>	<u>2014</u>
ASSETS				
Cash	\$ 932,336	\$ 272,422	\$ 1,204,758	\$ 1,068,181
Pledges receivable (Note 2)		50,000	50,000	27,660
Prepaid expenses and other assets	247,960		247,960	201,522
Charitable trust (Note 3)	517,262		517,262	1,499,425
Investments (Note 4)	2,777,361		2,777,361	2,275,427
Property and equipment (Note 5)	71,772		71,772	95,480
TOTAL ASSETS	<u>\$ 4,546,691</u>	<u>\$ 322,422</u>	<u>\$ 4,869,113</u>	<u>\$ 5,167,695</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	\$ 60,814	\$ -	\$ 60,814	\$ 109,733
Accrued liabilities (Note 6)	194,691		194,691	132,746
Deferred revenue (Note 7)	65,098		65,098	101,080
TOTAL LIABILITIES	<u>320,603</u>	<u>-</u>	<u>320,603</u>	<u>343,559</u>
NET ASSETS				
Unrestricted	2,440,586		2,440,586	2,566,363
Unrestricted board designated (Note 2)	1,785,502		1,785,502	1,761,334
Temporarily restricted (Note 10)		322,422	322,422	496,439
TOTAL NET ASSETS	<u>4,226,088</u>	<u>322,422</u>	<u>4,548,510</u>	<u>4,824,136</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,546,691</u>	<u>\$ 322,422</u>	<u>\$ 4,869,113</u>	<u>\$ 5,167,695</u>

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

GLAAD, INC.

STATEMENT OF ACTIVITIES
For the year ended December 31, 2015
With comparative totals for the year ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015</u>	<u>2014</u>
REVENUE AND SUPPORT				
Contributions	\$ 2,362,914	\$ 545,000	\$ 2,907,914	\$ 3,619,502
In-kind revenue (Note 2)	561,727		561,727	281,048
Media Awards program	3,355,870		3,355,870	2,473,835
Less: direct costs (Note 12)	(2,060,917)		(2,060,917)	(1,914,392)
	<u>1,294,953</u>	<u>-</u>	<u>1,294,953</u>	<u>559,443</u>
Special events - other events	880,878		880,878	823,273
Less: direct costs (Note 12)	(597,130)		(597,130)	(569,694)
	<u>283,748</u>	<u>-</u>	<u>283,748</u>	<u>253,579</u>
Investment (loss) income	(2,654)		(2,654)	128,723
Amortization of discount of charitable trust	52,361		52,361	59,335
Miscellaneous income	60,001		60,001	51,696
Net assets released from program restrictions	222,578	(222,578)	-	-
Net assets released from time restrictions	496,439	(496,439)	-	-
	<u>5,332,067</u>	<u>(174,017)</u>	<u>5,158,050</u>	<u>4,953,326</u>
EXPENSES				
Program services	3,611,941		3,611,941	3,686,255
Management and general	748,806		748,806	409,919
Fund development	1,072,929		1,072,929	578,258
	<u>5,433,676</u>	<u>-</u>	<u>5,433,676</u>	<u>4,674,432</u>
CHANGE IN NET ASSETS	<u>(101,609)</u>	<u>(174,017)</u>	<u>(275,626)</u>	<u>278,894</u>
NET ASSETS, BEGINNING OF YEAR	<u>4,327,697</u>	<u>496,439</u>	<u>4,824,136</u>	<u>4,545,242</u>
NET ASSETS, END OF YEAR	<u>\$ 4,226,088</u>	<u>\$ 322,422</u>	<u>\$ 4,548,510</u>	<u>\$ 4,824,136</u>

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

GLAAD, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2015
With comparative totals for the year ended December 31, 2014

	Program Services	Management and General	Fund Development	Total Expenses	
				2015	2014
Salaries	\$ 1,604,276	\$ 130,268	\$ 503,372	\$ 2,237,916	\$ 1,999,120
Payroll taxes and benefits	297,519	24,158	93,352	415,029	368,434
Total personnel costs	1,901,795	154,426	596,724	2,652,945	2,367,554
Outside services (Note 2)	394,498	296,469	78,472	769,439	711,633
Occupancy	394,966	163,219	98,060	656,245	658,111
Travel	239,343	31,122	195,862	466,327	431,191
Other programmatic expenses	299,355	2,038	5,848	307,241	-
Telephone	55,022	22,653	14,817	92,492	80,084
Fees	61,970	16,198	12,654	90,822	67,431
Insurance	50,001	20,675	12,405	83,081	56,277
Direct mail expense	43,292	5,226	8,202	56,720	38,117
Equipment lease and maintenance	30,473	12,655	7,593	50,721	55,991
Depreciation	23,048	9,603	5,762	38,413	34,463
Media materials and publications	35,602	204	190	35,996	8,283
Meetings and conferences	20,367	2,677	9,445	32,489	50,868
Postage and printing	21,737	159	7,546	29,442	43,631
Professional fees	13,269	5,529	3,317	22,115	22,000
Supplies	13,199	4,069	3,061	20,329	23,974
Miscellaneous	5,396	1,360	12,559	19,315	11,984
Dues and subscriptions	8,608	524	412	9,544	12,840
TOTAL 2015 FUNCTIONAL EXPENSES	\$ 3,611,941	\$ 748,806	\$ 1,072,929	\$ 5,433,676	
TOTAL 2014 FUNCTIONAL EXPENSES	\$ 3,686,255	\$ 409,919	\$ 578,258		\$ 4,674,432

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

GLAAD, INC.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2015

With comparative totals for the year ended December 31, 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (275,626)	\$ 278,894
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	38,413	34,463
Change in reserve for doubtful receivables	133,139	(68,942)
Amortization of discount of charitable trust	(52,361)	(59,335)
Unused donated travel vouchers (other assets)	(69,060)	-
Investment loss (income)	2,654	(123,425)
(Increase) decrease in operating assets:		
Pledges receivable	(155,479)	258,708
Other receivable	-	105,782
Prepaid expenses and other assets	22,622	(67,129)
Charitable trust	1,034,524	202,751
(Decrease) increase in operating liabilities:		
Accounts payable	(48,919)	(83,721)
Accrued liabilities	61,945	22,952
Deferred revenue	(35,982)	39,430
NET CASH PROVIDED BY OPERATING ACTIVITIES	655,870	540,428
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(3,293,804)	(437,073)
Proceeds from sale of investments	2,789,216	672,766
Purchase of property and equipment	(14,705)	(15,349)
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	(519,293)	220,344
NET INCREASE IN CASH	136,577	760,772
CASH, BEGINNING OF YEAR	1,068,181	307,409
CASH, END OF YEAR	\$ 1,204,758	\$ 1,068,181

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

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

1. **Organization**

GLAAD, Inc. (“GLAAD”), formerly known as Gay & Lesbian Alliance Against Defamation, Inc., is a non-profit organization that has been granted exempt status under the section 501(c)(3) of the Internal Revenue Code.

GLAAD is the world’s lesbian, gay, bisexual, and transgender (LGBT) media advocacy organization promoting and ensuring fair, accurate and inclusive representation of people and events in the media as a means to build a culture that embraces full acceptance of the LGBT community, thereby eliminating homophobia, transphobia and discrimination based on gender identity and sexual orientation.

GLAAD works with print, broadcast, and online news sources to bring people powerful stories from the LGBT community that builds support for equality and accelerates acceptance of LGBT people. And when news outlets get it wrong, GLAAD is there to respond and advocate for fairness and accuracy.

GLAAD’s Entertainment Media Team accelerates acceptance by advocating for fair, accurate, and inclusive representation of LGBT people in the media including film, television, comics, video games, and music. This team also combats problematic content and instances of defamation in entertainment. As part of the entertainment program, the GLAAD Media Awards recognize and honor media for their fair, accurate and inclusive representations of the lesbian, gay, bisexual and transgender (LGBT) community and the issues that affect their lives. They also fund GLAAD’s work to amplify stories from the LGBT community that build support for equality and acceptance. The GLAAD Media Awards are held annually in Los Angeles and New York.

GLAAD’s Spanish-Language & Latino Media program shares the stories of LGBT people via Spanish-language and Latino news and entertainment media to build acceptance of LGBT people and increase support for equality among the fastest growing population in the U.S. The program provides vital resources to advocates and media alike on how to communicate with this audience both in the U.S. and abroad.

GLAAD’s Transgender Media program accelerates acceptance for transgender people by increasing the quantity and quality of transgender representation in news, entertainment, and digital media. This team also challenges depictions of transgender people that are stereotypical, sensationalistic, or based on misinformation. The team works directly with transgender people who wish to tell their stories in the media, helping them craft their messages and giving them the tools they need to be effective when talking to journalists.

GLAAD’s Southern Stories initiative tells the stories of LGBT people and their allies in the U.S. South to create a cultural shift towards acceptance and understanding in the region.

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

1. **Organization**, continued

GLAAD's Global Voices initiative aims to build LGBT acceptance across the globe by sharing stories of LGBT people and their families around the world and helping LGBT advocates build capacity for change in their own cities and countries. As part of this initiative, in October 2015, GLAAD launched a United Kingdom (UK) operation as part of its growing global work to accelerate acceptance of the LGBT community. This is a subsidiary of GLAAD, Inc. As yet, there are no employees in the UK. However, it is an expectation of GLAAD to expand operations going forward.

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.

Accounting

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of GLAAD are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

Unrestricted. These generally result from revenue generated by receiving unrestricted contributions, providing services, and receiving interest from investments less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Unrestricted Board Designated. These are comprised of resources that the Board of Directors has established as being designated for operation purposes. The Board has designated 25% of the 2015 operating revenues to be kept in reserve. These funds are segregated in a separate account and are invested in fixed income funds, money market funds, or common stocks. For purposes of complying with net asset accounting, these funds of \$1,751,005 are included in the unrestricted net assets at December 31, 2015.

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Temporarily Restricted. GLAAD reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from program or capital restrictions.

Permanently Restricted. These net assets are restricted by donors who stipulate that resources are to be maintained permanently, but permit GLAAD to expend all of the income (or other economic benefits) derived from the donated assets. GLAAD had no permanently restricted net assets at December 31, 2015.

Contributions and Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Pledges receivable of \$50,000 at December 31, 2015 is expected to be collected in one year.

Investments

GLAAD values its investments at fair value. Fair value of contributed investments has been measured on a non-recurring basis using quoted prices for identical assets in active markets. Unrealized gains or losses (including investments bought, sold, and held during the year) are reflected in the Statement of Activities as gain or loss on investments. Short-term highly liquid money market deposits that are not used for operations are treated as investments.

Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs - quoted prices in active markets for identical assets

Level 2 inputs - quoted prices in active or inactive markets for the same or similar assets

Level 3 inputs - estimates using the best information available when there is little or no market

GLAAD is required to measure certain investments, a charitable trust, and donated goods and services at fair value. The specific techniques used to measure fair value for these financial statement elements are described in the notes below that relate to each element.

continued

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Concentration of Credit Risks

GLAAD places its temporary cash investments with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. GLAAD has not incurred losses related to these investments.

GLAAD holds investments in the form of mutual funds, equities, and money market funds. The Board of Directors routinely reviews market values of these investments.

Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to one thousand dollars and the useful life is greater than one year.

Donated Materials and Services

Contributions of donated non-cash assets are measured on a non-recurring basis and recorded at fair value in the period received. Contributions of donated 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, are recorded at fair value in the period received. For the year ended December 31, 2015, GLAAD recorded \$1,000,847 in donated goods/materials, hotel and travel vouchers, and professional services. Of that amount, \$439,120 was related to events and was included as part of special event revenue and expenses; \$492,667 was related to operational expenses and was included in travel expense and outside services in the Statement of Functional Expenses; and, the remaining \$69,060, which reflects the value of unused travel vouchers, was included in "prepaid and other assets" at December 31, 2015. The amount of \$69,060 is expected to be expensed in the subsequent year due to the one-year term on the travel vouchers received. The \$492,667 of in-kind expenses included in the Statement of Functional Expenses for the year ended December 31, 2015 was allocated as follows:

Program Services	\$126,339
Management and General	260,673
Fund Development	<u>105,655</u>
	<u>\$492,667</u>

Income Taxes

GLAAD is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

continued

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, 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.

Functional Allocation of Expenses

Costs of providing GLAAD's programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. GLAAD uses salary dollars to allocate indirect costs.

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 as of the date and for the period presented. Actual results could differ from those estimates.

Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with GLAAD's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Reclassification

Certain amounts from the December 31, 2014 financial statements have been reclassified to conform to the presentation for the year ended December 31, 2015.

Subsequent Events

Management has evaluated subsequent events through April 29, 2016, the date which the financial statements were available for issue. No events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.

continued

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

3. Charitable Trust

GLAAD received notice in January 2008 that it had been named as a beneficiary in a charitable trust. Per the donor's will and testament, GLAAD is a 17.2414% beneficiary in a trust that was valued at \$46,343,288 as of the date of notification. As such, GLAAD's percentage share of the trust assets was valued at \$7,990,232 as of the same date. This trust instrument stipulates that GLAAD will receive 1/32 of its share in equal quarterly payments until its portion of the trust is exhausted. During the year ended December 31, 2015, the quarterly payments to GLAAD were \$258,631. A discount rate of 5% has been used to calculate the present value of the quarterly payments. At December 31, 2015, the present value of the charitable trust was \$517,262 and will be paid in full in 2016.

4. Investments

Investments at December 31, 2015 consist of the following:

Money market funds	\$2,079,870
Mutual funds	499,074
Equities	<u>198,417</u>
	<u>\$2,777,361</u>

5. Property and Equipment

Property and equipment at December 31, 2015 consist of the following:

Computers and equipment	\$ 1,225,460
Furniture and fixtures	299,323
Leasehold improvements	<u>245,081</u>
	1,769,864
Less: accumulated depreciation	<u>(1,698,092)</u>
	<u>\$ 71,772</u>

Depreciation expense for the year ended December 31, 2015 was \$38,413.

continued

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

6. Accrued Liabilities

Accrued liabilities at December 31, 2015 consist of the following:

Accrued vacation	\$192,952
Other accrued liabilities	<u>1,739</u>
	<u>\$194,691</u>

7. Deferred Revenue

At December 31, 2015, deferred revenue of \$65,098 consists of revenue received for the Media Awards to be held in the next fiscal period. The amounts will be recorded as earned in the period in which the event is held.

8. Commitments and Contingencies

Obligations Under Operating Leases

GLAAD leases certain facilities and equipment under operating leases with various terms. Future minimum payments, by year and in the aggregate, under these leases with initial or remaining terms of one year or more, consist of the following:

<u>Year ended December 31,</u>	
2016	\$537,212
2017	329,298
2018	<u>45,842</u>
	<u>\$912,352</u>

Rent and lease expenses under operating leases for the year ended December 31, 2015 was \$548,689.

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

9. Fair Value Measurements

The table below presents the balances of assets measured at fair value at December 31, 2015 on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Charitable Trust	\$ -	\$ -	\$517,262	\$ 517,262
Mutual funds				
Intermediate-term bond	262,375			262,375
World bond	89,565			89,565
Nontraditional bond	49,074			49,074
Large growth	49,068			49,068
World allocation	<u>48,992</u>			<u>48,992</u>
Total mutual funds	<u>499,074</u>	<u>-</u>	<u>-</u>	<u>499,074</u>
Equities				
Large blend	98,719			98,719
World stock	49,853			49,853
Mid-Cap growth	<u>49,845</u>			<u>49,845</u>
Total equities	<u>198,417</u>	<u>-</u>	<u>-</u>	<u>198,417</u>
Total	<u>\$697,491</u>	<u>\$ -</u>	<u>\$517,262</u>	<u>\$1,214,753</u>

The fair values of mutual funds and equities have been measured on a recurring basis using quoted prices for identical assets in active markets (Level 1 inputs).

The fair value of the charitable trust has been measured on a recurring basis by calculating the present value of the actual quarterly payments received at the discount rate of 5% (Level 3 inputs).

The following is a reconciliation of the Level 3 asset as of December 31, 2015:

	<u>Charitable Trust</u>
Fair value at January 1, 2015	\$ 1,499,425
Change in value of charitable trust:	
Distributions received from charitable trust	(1,034,524)
Amortization of discount on distribution	<u>52,361</u>
Fair value at December 31, 2015	<u>\$ 517,262</u>

continued

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

9. Fair Value Measurements, continued

The table below presents the transactions measured at fair value during the year ended December 31, 2015 on a non-recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Donated goods/materials	\$ -	\$ 726,130	\$ -	\$ 726,130
Donated professional services		<u>274,717</u>		<u>274,717</u>
Total	<u>\$ -</u>	<u>\$1,000,847</u>	<u>\$ -</u>	<u>\$1,000,847</u>

The fair value of donated goods/materials and donated professional services have been measured on a non-recurring basis using quoted prices for similar assets in inactive market (Level 2 inputs).

10. Temporarily Restricted Net Assets

Temporarily restricted net assets of \$322,422 at December 31, 2015, are restricted for the following purposes:

Public service announcements	\$127,422
Leadership & Mentoring Academy program	75,000
Transgender Media program	40,000
Faith Work & Media Initiatives	30,000
Time-restricted	<u>50,000</u>
Total	<u>\$322,422</u>

During the fiscal year ended December 31, 2015, GLAAD released \$719,017 of temporarily restricted net assets, of which \$222,578 was released from program restrictions, and \$496,439 from time restrictions.

11. 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 contributions under this plan for the year ended December 31, 2015 were \$24,121, which were applied from the forfeiture account in the 403(b) plan.

GLAAD, INC.

NOTES TO FINANCIAL STATEMENTS

12. Media Awards and Other Special Events Direct Costs

Direct costs for the Media Awards and other special events at December 31, 2015 are as follows:

	<u>Media Awards</u>	<u>Other Special Events</u>	<u>Total</u>
Event costs	\$1,408,425	\$492,882	\$1,901,307
In-kind materials, hotel, and travel	439,120		439,120
Personnel costs	170,235	62,679	232,914
Travel	35,719	40,810	76,529
Other	<u>7,418</u>	<u>759</u>	<u>8,177</u>
Total	<u>\$2,060,917</u>	<u>\$597,130</u>	<u>\$2,658,047</u>