

GLBTQ Legal Advocates & Defenders, Inc. d/b/a GLAD Law

Financial Statements

March 31, 2026 and 2025

GLBTQ Legal Advocates & Defenders, Inc. d/b/a GLAD Law
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Independent Auditor's Report

To the Board of Directors of
GLBTQ Legal Advocates & Defenders, Inc. d/b/a GLAD Law:

Opinion

We have audited the financial statements of GLBTQ Legal Advocates & Defenders, Inc. d/b/a GLAD Law, (GLAD Law), which comprise the statements of financial position as of March 31, 2026 and 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of GLBTQ Legal Advocates & Defenders, Inc. d/b/a GLAD Law as of March 31, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 GLAD Law and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 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 GLAD Law's ability to continue as a going concern within one year after the date the 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 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 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 GLAD Law'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 GLAD Law'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.



Boston, Massachusetts
June 25, 2026

GLBTQ Legal Advocates & Defenders, Inc. d/b/a GLAD Law

Statements of Financial Position

As of March 31, 2026 and 2025

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Assets						
Current Assets						
Cash and cash equivalents	$ 394,250	$ 200,000	$ 594,250	$1,194,193	$ 61,459	$1,255,652
Accounts receivable	22,086	-	22,086	11,043	-	11,043
Current portion of pledges receivable, net	-	531,532	531,532	-	303,185	303,185
Short-term investments	700,000	2,800,000	3,500,000	-	2,075,000	2,075,000
Prepaid expenses and deposits	540,509	-	540,509	225,553	-	225,553
Total Current Assets	1,656,845	3,531,532	5,188,377	1,430,789	2,439,644	3,870,433
Property and equipment, net	205,403	-	205,403	207,437	-	207,437
Investments	6,699,394	238,423	6,937,817	6,558,496	-	6,558,496
Pledges receivable, net of current portion	-	457,452	457,452	-	2,600	2,600
Right-of-use lease assets - operating	924,800	-	924,800	1,248,554	-	1,248,554
Total Assets	$9,486,442	$4,227,407	$13,713,849	$9,445,276	$2,442,244	$11,887,520
Liabilities and Net Assets						
Current Liabilities						
Accounts payable and accrued expenses	948,536	-	948,536	789,748	-	789,748
Current portion of operating lease liabilities	444,863	-	444,863	427,042	-	427,042
Total Current Liabilities	1,393,399	-	1,393,399	1,216,790	-	1,216,790
Operating lease liabilities, net	580,022	-	580,022	951,720	-	951,720
Total Liabilities	1,973,421	-	1,973,421	2,168,510	-	2,168,510
Net Assets						
Without donor restrictions						
Operating	2,543,034	-	2,543,034	2,699,536	-	2,699,536
Board designated	4,864,669	-	4,864,669	4,500,001	-	4,500,001
Property and equipment	105,318	-	105,318	77,229	-	77,229
Total net assets without donor restrictions	7,513,021	-	7,513,021	7,276,766	-	7,276,766
Net assets with donor restrictions	-	4,227,407	4,227,407	-	2,442,244	2,442,244
Total Net Assets	7,513,021	4,227,407	11,740,428	7,276,766	2,442,244	9,719,010
Total Liabilities and Net Assets	$9,486,442	$4,227,407	$13,713,849	$9,445,276	$2,442,244	$11,887,520

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

GLBTQ Legal Advocates & Defenders, Inc. d/b/a GLAD Law

Statements of Activities and Changes in Net Assets

For the year ended March 31, 2026

	Without Donor Restrictions				
	Operating	Board Designated	Total	With Donor Restrictions	Total
Support and Other Operating Revenue					
Support					
Special events					
Event contributions and support	$ 1,022,437	$ -	$ 1,022,437	$ -	$ 1,022,437
Less - direct expenses	(281,059)	-	(281,059)	-	(281,059)
Net special events	741,378	-	741,378	-	741,378
Donated services	9,499,313	-	9,499,313	-	9,499,313
Individual contributions	3,775,944	-	3,775,944	1,906,873	5,682,817
Grants	674,750	-	674,750	4,027,000	4,701,750
Satisfaction of purpose restrictions	2,138,060	-	2,138,060	(2,138,060)	-
Satisfaction of time restrictions	2,010,650	-	2,010,650	(2,010,650)	-
Other operating revenue					
Interest and dividend income	168,552	-	168,552	-	168,552
Contract service revenue	42,599	-	42,599	-	42,599
Attorney fees and other income	47,532	-	47,532	-	47,532
Total other operating revenue	258,683	-	258,683	-	258,683
Total support and other operating revenue	19,098,778	-	19,098,778	1,785,163	20,883,941
Operating Expenses					
Program services					
Legal Programs	15,062,380	27,136	15,089,516	-	15,089,516
Communications and Public Education	2,078,607	197,414	2,276,021	-	2,276,021
Total program services	17,140,987	224,550	17,365,537	-	17,365,537
Support services					
Fundraising	1,103,907	6,802	1,110,709	-	1,110,709
General and administrative	733,835	4,070	737,905	-	737,905
Total support services	1,837,742	10,872	1,848,614	-	1,848,614
Total operating expenses	18,978,729	235,422	19,214,151	-	19,214,151
Changes in net assets from operations	120,049	(235,422)	(115,373)	1,785,163	1,669,790
Other Revenue					
Investment return, net	1,538	350,090	351,628	-	351,628
Changes in Net Assets	121,587	114,668	236,255	1,785,163	2,021,418
Net Assets					
Beginning of year	2,776,765	4,500,001	7,276,766	2,442,244	9,719,010
Transfers	(250,000)	250,000	-	-	-
End of Year	$ 2,648,352	$ 4,864,669	$ 7,513,021	$ 4,227,407	$ 11,740,428

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

GLBTQ Legal Advocates & Defenders, Inc. d/b/a GLAD Law

Statements of Activities and Changes in Net Assets

For the year ended March 31, 2025

	Without Donor Restrictions				
	Operating	Board Designated	Total	With Donor Restrictions	Total
Support and Other Operating Revenue					
Support					
Special events					
Event contributions and support	$ 964,497	$ -	$ 964,497	$ -	$ 964,497
Less - direct expenses	(245,911)	-	(245,911)	-	(245,911)
Net special events	718,586	-	718,586	-	718,586
Donated services	8,140,741	-	8,140,741	-	8,140,741
Individual contributions	5,686,519	-	5,686,519	956,597	6,643,116
Grants	756,160	-	756,160	2,190,000	2,946,160
Satisfaction of purpose restrictions	1,423,221	-	1,423,221	(1,423,221)	-
Satisfaction of time restrictions	165,861	-	165,861	(165,861)	-
Other operating revenue					
Interest and dividend income	138,309	-	138,309	-	138,309
Contract service revenue	63,236	-	63,236	-	63,236
Total other operating revenue	201,545	-	201,545	-	201,545
Total support and other operating revenue	17,092,633	-	17,092,633	1,557,515	18,650,148
Operating Expenses					
Program services					
Legal Programs	12,609,007	265,096	12,874,103	-	12,874,103
Communications and Public Education	1,291,301	157,750	1,449,051	-	1,449,051
Total program services	13,900,308	422,846	14,323,154	-	14,323,154
Support services					
Fundraising	740,240	206,584	946,824	-	946,824
General and administrative	632,059	57,324	689,383	-	689,383
Total support services	1,372,299	263,908	1,636,207	-	1,636,207
Total operating expenses	15,272,607	686,754	15,959,361	-	15,959,361
Changes in net assets from operations	1,820,026	(686,754)	1,133,272	1,557,515	2,690,787
Other Revenue					
Investment return, net	18,640	137,681	156,321	-	156,321
Changes in Net Assets	1,838,666	(549,073)	1,289,593	1,557,515	2,847,108
Net Assets					
Beginning of year	1,967,172	4,020,001	5,987,173	884,729	6,871,902
Transfers	(1,029,073)	1,029,073	-	-	-
End of Year	$ 2,776,765	$ 4,500,001	$ 7,276,766	$ 2,442,244	$ 9,719,010

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

GLBTQ Legal Advocates & Defenders, Inc. d/b/a GLAD Law

Statement of Functional Expenses
For the Year Ended March 31, 2026
(With Summarized Comparative Totals for the Year Ended March 31, 2025)

	2026							2025
	Program Services			Support Services				
	Legal Programs	Communications and Public Education	Total Program Services	Fundraising	General and Administrative	Total Support Services	Total	Total
Personnel and Related								
Salaries	$ 3,050,396	$ 932,595	$ 3,982,991	$ 580,358	$ 487,712	$ 1,068,070	$ 5,051,061	$ 4,333,370
Fringe benefits	383,682	117,303	500,985	72,998	61,345	134,343	635,328	491,715
Payroll taxes	226,392	69,215	295,607	43,073	36,197	79,270	374,877	348,757
Total personnel and related	3,660,470	1,119,113	4,779,583	696,429	585,254	1,281,683	6,061,266	5,173,842
Professional Fees and Services								
Donated legal services	9,499,313	-	9,499,313	-	-	-	9,499,313	8,140,741
Other professional fees	266,318	833,479	1,099,797	220,277	29,796	250,073	1,349,870	1,098,751
Audit and legal	4,271	1,306	5,577	813	35,483	36,296	41,873	128,456
Total professional fees and services	9,769,902	834,785	10,604,687	221,090	65,279	286,369	10,891,056	9,367,948
Occupancy								
Rent	279,050	79,079	358,129	49,211	41,356	90,567	448,696	476,428
Other occupancy	103,937	31,776	135,713	19,775	16,618	36,393	172,106	105,380
Depreciation	30,088	9,199	39,287	5,724	4,810	10,534	49,821	47,763
Equipment leases	5,758	1,760	7,518	1,095	921	2,016	9,534	6,296
Utilities	4,649	1,421	6,070	884	743	1,627	7,697	7,166
Total occupancy	423,482	123,235	546,717	76,689	64,448	141,137	687,854	643,033
Other								
Filing fees and litigation costs	831,486	857	832,343	533	448	981	833,324	125,775
Special events	84,318	98,370	182,688	98,371	-	98,371	281,059	245,911
Travel and conferences	109,645	46,526	156,171	23,999	3,787	27,786	183,957	199,650
Data management and communications	52,932	31,793	84,725	28,103	136	28,239	112,964	84,389
Functions and meetings	36,663	18,703	55,366	18,741	4,315	23,056	78,422	78,644
Dues, subscriptions and reference	51,878	6,598	58,476	1,976	1,422	3,398	61,874	38,011
Printing and publications	28,983	16,634	45,617	14,347	667	15,014	60,631	50,831
Staff and volunteer development	29,465	11,363	40,828	7,147	2,042	9,189	50,017	44,170
Telephone and internet	28,839	8,817	37,656	5,487	4,611	10,098	47,754	50,213
Advertising and marketing	17,259	23,547	40,806	5,447	264	5,711	46,517	28,920
Insurance	18,413	2,677	21,090	2,120	1,400	3,520	24,610	13,084
Office supplies and small equipment	13,081	3,999	17,080	2,489	2,092	4,581	21,661	16,433
Postage	8,515	5,817	14,332	4,311	411	4,722	19,054	11,609
Grants, donations and sponsorships	-	18,797	18,797	-	-	-	18,797	15,928
Bank charges and merchant fees	5,296	1,780	7,076	1,191	816	2,007	9,083	10,123
Program and other miscellaneous	3,207	980	4,187	610	513	1,123	5,310	6,758
Total other	1,319,980	297,258	1,617,238	214,872	22,924	237,796	1,855,034	1,020,449
Total expenses	15,173,834	2,374,391	17,548,225	1,209,080	737,905	1,946,985	19,495,210	16,205,272
Less - special event expenses included with revenue on the statements of activities and changes in net assets	(84,318)	(98,370)	(182,688)	(98,371)	-	(98,371)	(281,059)	(245,911)
Total expenses included in the statements of activities and changes in net assets	$ 15,089,516	$ 2,276,021	$ 17,365,537	$ 1,110,709	$ 737,905	$ 1,848,614	$ 19,214,151	$ 15,959,361

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

GLBTQ Legal Advocates & Defenders, Inc. d/b/a GLAD Law

Statement of Functional Expenses
For the Year Ended March 31, 2025

	2025						
	Program Services			Support Services			
	Legal Programs	Communications and Public Education	Total Program Services	Fundraising	General and Administrative	Total Support Services	Total
Personnel and Related							
Salaries	$ 2,694,981	$ 753,694	$ 3,448,675	$ 463,471	$ 421,224	$ 884,695	$ 4,333,370
Fringe benefits	305,805	85,523	391,328	52,591	47,796	100,387	491,715
Payroll taxes	216,897	60,659	277,556	37,301	33,900	71,201	348,757
Total personnel and related	3,217,683	899,876	4,117,559	553,363	502,920	1,056,283	5,173,842
Professional Fees and Services							
Donated legal services	8,140,741	-	8,140,741	-	-	-	8,140,741
Other professional fees	550,843	269,229	820,072	217,748	60,931	278,679	1,098,751
Audit and legal	57,547	16,094	73,641	9,897	44,918	54,815	128,456
Total professional fees and services	8,749,131	285,323	9,034,454	227,645	105,849	333,494	9,367,948
Occupancy							
Rent	303,471	79,564	383,035	48,927	44,466	93,393	476,428
Other occupancy	65,537	18,329	83,866	11,271	10,243	21,514	105,380
Depreciation	29,705	8,307	38,012	5,108	4,643	9,751	47,763
Equipment leases	3,916	1,095	5,011	673	612	1,285	6,296
Utilities	4,457	1,246	5,703	766	697	1,463	7,166
Total occupancy	407,086	108,541	515,627	66,745	60,661	127,406	643,033
Other							
Filing fees and litigation costs	123,969	831	124,800	511	464	975	125,775
Special events	73,773	86,069	159,842	86,069	-	86,069	245,911
Travel and conferences	130,795	43,239	174,034	22,569	3,047	25,616	199,650
Data management and communications	36,703	24,645	61,348	22,913	128	23,041	84,389
Functions and meetings	37,093	19,499	56,592	17,861	4,191	22,052	78,644
Dues, subscriptions and reference	31,873	4,131	36,004	1,216	791	2,007	38,011
Printing and publications	22,835	14,583	37,418	13,164	249	13,413	50,831
Staff and volunteer development	32,927	4,944	37,871	4,118	2,181	6,299	44,170
Telephone and internet	31,227	8,733	39,960	5,370	4,883	10,253	50,213
Advertising and marketing	17,495	8,205	25,700	3,090	130	3,220	28,920
Insurance	9,387	1,252	10,639	1,745	700	2,445	13,084
Office supplies and small equipment	10,219	2,858	13,077	1,758	1,598	3,356	16,433
Postage	6,227	2,955	9,182	2,161	266	2,427	11,609
Grants, donations and sponsorships	-	15,928	15,928	-	-	-	15,928
Bank charges and merchant fees	5,250	2,333	7,583	1,872	668	2,540	10,123
Program and other miscellaneous	4,203	1,175	5,378	723	657	1,380	6,758
Total other	573,976	241,380	815,356	185,140	19,953	205,093	1,020,449
Total expenses	12,947,876	1,535,120	14,482,996	1,032,893	689,383	1,722,276	16,205,272
Less - special event expenses included with revenue on the statements of activities and changes in net assets	(73,773)	(86,069)	(159,842)	(86,069)	-	(86,069)	(245,911)
Total expenses included in the statements of activities and changes in net assets	$ 12,874,103	$ 1,449,051	$ 14,323,154	$ 946,824	$ 689,383	$ 1,636,207	$ 15,959,361

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

GLBTQ Legal Advocates & Defenders, Inc. d/b/a GLAD Law
Statements of Cash Flows
For the years ended March 31, 2026 and 2025

	2026	2025
Cash Flows from Operating Activities		
Changes in net assets	$ 2,021,418	$ 2,847,108
Adjustments to reconcile changes in net assets to net cash and cash equivalents provided by operating activities		
Depreciation	49,821	47,763
Change in allowance on pledges receivable	111,427	1,800
Change in discount on pledges receivable	98,015	(1,623)
Donated stock	(271,449)	(212,388)
Net realized and unrealized gains on investments	(178,126)	(25,349)
Non-cash lease expense	402,840	402,084
Changes in Operating Assets and Liabilities		
Accounts receivable	(11,043)	4,950
Pledges receivable	(892,641)	(239,659)
Prepaid expenses and deposits	(314,956)	(27,756)
Accounts payable and accrued expenses	158,788	287,305
Operating lease liabilities	(432,963)	(424,364)
Net cash and cash equivalents provided by operating activities	741,131	2,659,871
Cash Flows from Investing Activities		
Purchase of investments	(4,230,056)	(6,551,703)
Proceeds from sales of investments	2,875,310	4,695,729
Acquisition of property and equipment	(47,787)	(53,074)
Net cash and cash equivalents used in investing activities	(1,402,533)	(1,909,048)
Net Change in Cash and Cash Equivalents	(661,402)	750,823
Cash and Cash Equivalents, Beginning of Year	1,255,652	504,829
Cash and Cash Equivalents, End of Year	$ 594,250	$ 1,255,652
Supplemental Disclosure of Non-Cash Transactions		
Right-of-use lease assets - operating obtained in exchange for lease liabilities	$ 50,531	$ -
Unrealized gain (loss) on investments	$ (150,930)	$ 77,964

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

1. Nature of Operations and Nonprofit Status

Operations

Through strategic litigation, public policy advocacy and education, GLBTQ Legal Advocates & Defenders, Inc. d/b/a GLAD Law (GLAD Law) works in New England and nationally to create a just society free of discrimination based on gender identity and expression, HIV status, and sexual orientation.

GLAD Law advances a broad range of legal rights for lesbian, gay, bisexual, transgender, and queer (LGBTQ+) adults and youth, and for people living with HIV. Our strategic priorities include:

- Expanding our legal capacity to meet today's challenges and sustain GLAD Law's work for decades to come;
- Deepening our leadership and impact nationally for LGBTQ+ rights;
- Ensuring a sustainable, antiracist, and intergenerational organization for the long term; and
- Working to protect our democracy, support voting rights, and fighting for a multiracial and pluralistic democratic future deepening our national impact.

GLAD Law focuses on national impact litigation - using strategically chosen cases to establish or expand LGBTQ+ civil rights and foster systemic change. GLAD Law is also active in legislative and policy work, within New England and nationally - applying its legal expertise to educate legislators, draft bills, and provide expert testimony and legal research. Finally, GLAD Law works to change hearts and minds regarding the shared humanity and dignity of LGBTQ+ people and those living with HIV, engage the public to educate our communities about their legal rights, and provide resources and referrals to assist individuals and communities in advocating for themselves.

Legal Programs

GLAD Law has historically had three major legal programs: The Civil Rights Project (CRP), the Transgender Rights Project (TRP), and the AIDS Law Project (ALP). As part of our current strategic plan, adopted in fiscal year 2023, GLAD Law shifted away from these discrete projects in order to adopt a more holistic approach and view of our work. While we no longer formally use these titles to describe our work, the substance of our efforts still trace these historical categories.

One line of our work - tracing the work we did in our Civil Rights Project (CRP) - focuses on ending discrimination based on sexual orientation, including in employment, housing, public accommodations, and other critical areas of life, and ensuring that those protections are not undermined by overly expansive religious exemptions, and that LGBTQ+ rights and religious freedom coexist. After successfully winning marriage equality in all New England states and nationally, we now work to defend marriage from attempts to chip away at it. GLAD Law also works to ensure that LGBTQ+ families receive the respect and recognition all families receive, with an emphasis on parentage recognition, including for non-marital families, and access to the ability to build families, including access to fertility health care. GLAD Law also works on issues such as the rights of out-of-home youth, especially youth in juvenile detention and state care, bullying and harassment of LGBTQ youth in and out of the school setting, and other policy issues affecting young people. GLAD Law also addresses issues facing LGBTQ+ older adults.

1. Nature of Operations and Nonprofit Status (Continued)

GLAD Law also focuses on fighting discrimination based on gender identity, as we did with our Transgender Rights Project. This work includes: (1) countering opposition efforts to deny transgender youth life-saving health care and the opportunity to participate in sports; (2) advocating for access to health care and more fair treatment for transgender people while incarcerated; (3) ending the denial of critical health care to transgender people in private, public, and state insurance policies, as well as for youth in state custody; (4) ensuring transgender people can obtain documents consistent with their gender; (5) robustly enforcing and defending existing anti-discrimination protections for transgender people in employment, housing, and public spaces; and (6) supporting the efforts of parents of transgender children to act in their children's best interests.

We also work – as we previously did through the AIDS Law Project (ALP) -- to end discrimination based on HIV status, particularly in areas of privacy and confidentiality, discrimination and criminalization, and insurance coverage. Currently, GLAD Law is working to expand access to PrEP – a game-changing medication to prevent HIV - and to eradicate the stigma attached to it.

Communications and Public Education

Finally, GLAD Law's Communications and Public Education team builds public awareness and support for the LGBTQ+ community. Focused on enlarging circles of support for LGBTQ+ rights and the rights of people living with HIV, the department finds and tells our stories; builds organized communities of allies to prepare the ground for, and sustain, courtroom and policy victories; and works closely with state and national partner organizations, providing strategy and communication consultation and support. It also focuses on sustained relationship building and engagement and disseminates critical legal information to empower people to exercise their legal rights, particularly through GLAD Law Answers, our legal information and referral service, and the ID Project which provides support for individuals seeking accurate identity documents. The department educates the community, elevates stories, and engages the public through traditional media, print publications, video, digital channels including social media and a mobile-optimized website, public education events and workshops, participation in coalitions and sustained partnerships, and one-on-one conversations.

Development

GLAD Law's Development Department is responsible for raising revenue to support the organization's legal advocacy, education, and public policy work. The department manages a diversified fundraising program that includes major gifts, community giving, a sustainer/monthly giving program, institutional giving (foundation grants and corporate partnerships), fundraising events, and planned gifts. The Development team works in close coordination with Communications, Finance, and senior leadership to align fundraising activity with organizational priorities and ensure accurate tracking and stewardship of all contributed income.

1. Nature of Operations and Nonprofit Status (Continued)

Nonprofit Status

GLAD Law is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). GLAD Law is also exempt from state income taxes. Donors may deduct contributions made to GLAD Law within the IRC regulations.

2. Significant Accounting Policies

Basis of Accounting

GLAD Law prepares its financial statements in accordance with generally accepted accounting principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Estimates

The preparation of financial statements in accordance with 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is recorded based on management's analysis of specific accounts and their estimate of amounts that may be uncollectible, if any.

Accounts Receivable

Accounts receivable are carried at the original invoice amount and do not bear interest. Accounts receivable are written-off when management determines the receivable will not be collected. Recoveries of accounts receivable previously written-off are recorded when received. The beginning balance of accounts receivable as of April 1, 2024, was $15,993.

Right-of-Use Lease Assets - Operating and Operating Lease Liabilities

GLAD Law determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. GLAD Law determines these assets are leased because GLAD Law has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

2. Significant Accounting Policies (Continued)

Right-of-Use Lease Assets - Operating and Operating Lease Liabilities (Continued)

In evaluating its contracts, GLAD Law separately identifies lease and non-lease components such as common area and other maintenance costs, in calculating the right-of-use (ROU) assets and lease liabilities for its office space and equipment. GLAD Law has elected the practical expedient to combine lease and non-lease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the non-lease component.

Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. GLAD Law determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. GLAD Law uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, GLAD Law uses the risk free rate based on the information available at the lease commencement date to determine the present value of lease payments.

The lease term may include options to extend or to terminate the lease that GLAD Law is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term. GLAD Law has elected not to record leases with an initial term of twelve months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Income Taxes

GLAD Law accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. GLAD Law has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at March 31, 2026 and 2025. GLAD Law's information returns are subject to examination by the Federal and state jurisdictions.

2. Significant Accounting Policies (Continued)

Revenue Recognition

Special Events

Special event income is derived from GLAD Law's performance to host its annual dinner, summer party and other fundraising events in which revenues are recognized at the time of the events. Special event income consists of both contributions and sales. The contribution portion of the special event income is recognized as revenue when unconditionally committed or received in accordance with ASC Subtopic 958-605, *Revenue Recognition*. The sales portion of the special event income is derived from various components, including ticket sales from these events held in which the transaction price is determined annually in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. Special event income is shown net of direct event costs of $281,059 and $245,911 for the years ended March 31, 2026 and 2025, respectively. Fees collected in advance of the special event are initially recorded as deferred revenue and are only recognized in the statements of activities and changes in net assets after the special event has occurred and the performance obligation has been met. There was no deferred revenue as of March 31, 2026 and 2025, as fees were collected, and the events were held in the same period.

Individual Contributions and Grants

In accordance with ASC Subtopic 958-605 (Topic 958), *Revenue Recognition*, GLAD Law must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or another measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that GLAD Law should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met. There were no conditional grants as March 31, 2026 and 2025.

Individual contributions and grants without donor restrictions are recorded when unconditionally pledged or received. GLAD Law reports gifts of cash and other assets as individual contributions and grants with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor-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 statements of activities and changes in net assets as satisfaction of net assets with donor restrictions.

2. Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Contract Service Revenue

GLAD Law generally measures revenue for qualifying exchange transactions based on the amount of consideration GLAD Law expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as GLAD Law satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. GLAD Law evaluates its contract service revenue based on the five-step model under Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

Contract service revenue is recognized by GLAD Law for services provided for research related to HIV treatment. This service is considered a single performance obligation as this service is distinct. The performance obligations under this agreement are satisfied evenly over the year as the third party receives the benefits provided as GLAD Law performs these services and also the third party maintains the rights to all data. Compensation is generally fixed under the relevant agreement. The services are only recognized as revenue when collection is assured.

Attorney Fees, Investment and Other Income

Interest income is recorded when earned. Dividend income is recorded on the ex-dividend date. Realized gains and losses are recorded using the average cost method. Unrealized gains and losses are recognized based on market value changes during the period (see Note 5). All other revenue is recognized when earned.

Bequests

Bequests are recorded upon receipt of final notification of the bequest after the estate has gone through the probate proce

Expense Allocation

Expenses related directly to a program are distributed to that program, while other expenses are allocated based upon management’s estimate of the percentage attributable to each program.

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries, fringe benefits, payroll taxes, occupancy, telephone and internet, office supplies and small equipment, functions and meetings, and depreciation, which are allocated based on an estimate of time and effort spent on GLAD Law's program and support functions.

2. Significant Accounting Policies (Continued)

Grants, Donations and Sponsorships

Grants, donations and sponsorships are recorded when approved.

Advertising Costs

GLAD Law expenses advertising costs as they are incurred. Advertising expenses for the years ended March 31, 2026 and 2025, were approximately $33,812 and $19,973, respectively, which are included in advertising and marketing in the accompanying statements of functional expenses.

Donated Stock

Donated stock is recorded at fair value on the date of the gift. During fiscal years 2026 and 2025, GLAD Law received stock donations valued at $271,449 and $212,388, respectively, which are included in individual contributions in the accompanying statements of activities and changes in net assets. These stock donations were immediately sold upon receipt, and the proceeds were invested in money market accounts.

Property and Equipment

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at fair value at the date of receipt by GLAD Law. Renewals and betterments are capitalized, while repairs and maintenance are expensed. Land is not depreciated.

Depreciation is computed using the straight-line method over estimated useful lives as follows:

Office equipment, software and information technology	3 - 10 years
Leasehold improvements	Life of the lease

Impairment

GLAD Law accounts for the carrying value of its property and equipment in accordance with ASC Topic, Property, Plant, and Equipment. There was no impairment loss recognized in 2026 or 2025.

Fair Value Measurements

GLAD Law follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements,* for qualifying assets and liabilities. Fair value is defined as the price that GLAD Law would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

2. Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

GLAD Law uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of GLAD Law. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

Investments

Investments are recorded in the financial statements at fair value. If an investment is directly held by GLAD Law and an active market with quoted prices exists, the market price of an identical security is used to report fair value. Reported fair values of shares in mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year. Certain certificates of deposit included in GLAD Law's portfolio are valued using standard inputs including benchmark yields, broker/dealer quotes, issuer spreads, and reference data including market research publications. GLAD Law's investments as of March 31, 2026 and 2025, are valued using Level 1 inputs (see Note 5).

Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash and cash equivalents consist of checking and money market accounts, excluding the cash and cash equivalents in the investment portfolio. Cash equivalents are considered Level 1 in the fair value hierarchy.

2. Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

All Other Assets and Liabilities

The carrying value of all other qualifying assets and liabilities does not differ materially from its estimated fair value. These qualifying assets and liabilities are considered Level 1 in the fair value hierarchy.

Lobbying

GLAD Law engages in lobbying activities to the extent permitted by the IRC. GLAD Law has elected to be covered by the rules of IRC Section 501(h) with regard to the limitation of the amount of GLAD Law's allowable lobbying expenditures, generally equal to 20% of GLAD Law's exempt purpose expenditures.

GLAD Law's lobbying expenditures are included in personnel and related, grants, donations, and sponsorships, other professional fees, travel and conferences, and miscellaneous in the accompanying statements of functional expenses and consisted of the following for the years ended March 31:

	2026	2025
Other expense	$ 126,966	$ 89,081
Salaries	51,315	16,278
Fringe benefits and payroll taxes	20,526	6,511
	$ 198,807	$ 111,870

Statements of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as support and other operating revenues and operating expenses in the accompanying statements of activities and changes in net assets. Non-operating activity includes investment activity.

Subsequent Events

Subsequent events have been evaluated through June 25, 2026, which is the date the financial statements were available to be issued. There were no such events that met the criteria for recognition or disclosure in the financial statements.

3. Pledges Receivable

Pledges are recorded when unconditionally committed. Pledges receivable at March 31, 2026 and 2025, consist of contributions committed to programs and general operating support over specific time periods. Pledges receivable are due as follows as of March 31:

	2026	2025
Due in less than one year	$ 552,793	$ 306,682
Due in one to four years	661,475	14,945
	1,214,268	321,627
Less - allowance	121,427	10,000
Less - discount	103,857	5,842
Less - current portion	531,532	303,185
Total	$ 457,452	$ 2,600

The pledges have been discounted using a 4% and 5% interest rate as of March 31, 2026 and 2025, respectively. Two donors' balances represent approximately 56% and 75% of the total outstanding pledges receivable balance as of March 31, 2026 and 2025, respectively.

4. Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by GLAD Law. GLAD Law has grouped its net assets without donor restrictions into the following categories:

Operating net assets represent funds available to carry on the operations of GLAD Law. These funds bear no external restrictions.

Board designated net assets represent funds set aside by the Board of Directors to be used as a reserve for future operations. It is the intent of the Board to maintain this fund for strategic initiatives and long-term viability. During fiscal year 2026, the Board authorized $279,655, of which $235,422 was spend on operations and $44,233 was spent on capital projects. During fiscal year 2025, the Board authorized $718,370, of which $686,754 was spent on operations and $31,616 was spent on capital projects. Additionally, during the years ended March 31, 2026 and 2025, management transferred $250,000 and $1,029,073, respectively, from operating net assets to Board designated net assets for future initiatives.

Property and equipment net assets reflect and account for the activities relating to GLAD Law's property and equipment and ROU lease assets - operating, net of operating lease liabilities.

4. Net Assets (Continued)

Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following as of March 31:

	2026	2025
Time restrictions	$ 2,250,232	$ 775,882
Purpose restrictions	1,977,175	1,666,362
Total net assets with donor restrictions	$ 4,227,407	$ 2,442,244

5. Investments

Investments are reported in the accompanying statement of financial position as short-term and long-term based on GLAD's intent with respect to the use of the investments. Investments are not insured and are subject to ongoing market fluctuations.

GLAD's investments are carried at fair value and consist of the following at March 31:

	2026	2025
Certificates of deposit	$ 4,728,180	$ 2,888,466
Mutual funds	2,119,042	2,683,431
Domestic Equities		
Other	1,530,392	1,303,974
ESG	613,391	555,587
Financials	181,950	302,352
Cash and cash equivalents	1,067,180	727,625
International equity	142,926	120,142
Other	54,756	51,919
Total investments	$ 10,437,817	$ 8,633,496

5. Investments (Continued)

The following schedule summarizes the investment return for the years ended March 31:

	2026	2025
Net unrealized gains (losses)	$ 150,930	$ (77,964)
Investment income	205,845	154,428
Net realized gains	27,196	103,313
Investment management fees	(32,343)	(23,456)
Total	$ 351,628	$ 156,321

6. Property and Equipment and Depreciation

Property and equipment consist of the following at March 31:

	2026	2025
Office equipment, software and information technology	$ 524,891	$ 477,104
Leasehold improvements	34,283	34,283
	559,174	511,387
Less - accumulated depreciation	353,771	303,950
Property and equipment, net	$ 205,403	$ 207,437

7. Operating Leases Agreements

Operating Leases

The GLAD Law leases office space in Boston, Massachusetts under an operating lease agreement that expires on July 31, 2038. The monthly payments for these lease agreements range from $31,612 to $36,222 through the lease period. GLAD Law is required to hold a certificate of deposit of $133,297 as collateral for a letter of credit representing the security deposit on this lease. GLAD Law is also responsible for its proportionate share of operating costs and real estate taxes incurred by the landlord each year for this lease agreement.

GLAD Law also rented additional office space under lease agreements which expired at various times through May 31, 2025.

In addition to office space, GLAD Law leases certain equipment under operating lease agreements expiring on various dates through December 2028.

7. Operating Leases Agreements (Continued)

Operating leases are shown as ROU lease assets - operating and operating lease liabilities in the accompanying statements of financial position.

The scheduled minimum lease payments under the lease terms are as follows:

2027	$ 444,863
2028	452,048
2029	157,280
Total	1,054,191
Less - present value discount	(29,306)
Total lease liabilities	$ 1,024,885

The weighted-average discount rate associated with operating leases as of March 31, 2026 and 2025, was 2.47% and 2.41% respectively. GLAD Law's weighted-average lease term was 2.4 years and 3.3 years as of March 31, 2026 and 2025, respectively.

As of March 31, 2026, there were no material leases that have been executed but not yet commenced.

The following summarizes the line items in the accompanying statements of functional expenses, which include the components of rent expense and equipment leases for the years ended March 31:

	2026	2025
Operating lease costs included in rent	$ 393,789	$ 395,361
Variable lease cost included in rent	31,191	64,326
Short-term lease costs included in rent	23,716	16,741
Operating lease costs included in equipment leases	9,534	6,296
Total lease expense	$ 458,230	$ 482,724

8. 401(K) Plan

GLAD Law maintains a qualified salary reduction 401(k) plan (the Plan). The Plan includes a guaranteed non-elective employer contribution of 3% of each eligible employee's annual salary. The Plan also includes a Roth option. Employees are eligible to participate in the Plan after attaining the age of eighteen and completing three months of service. During fiscal years 2026 and 2025, GLAD Law contributed $140,610 and $120,244, respectively, to the Plan, which is included in fringe benefits in the accompanying statements of functional expenses.

9. Concentration of Credit Risk

GLAD Law maintains its cash balances in Massachusetts banks and is insured within the limits of the Federal Deposit Insurance Corporation (FDIC). At certain times during the year for non-Massachusetts chartered banks, the cash balance exceeded the insured amount. GLAD Law has not experienced any losses in those accounts. GLAD Law’s management believes GLAD Law is not exposed to any significant credit risk on cash and cash equivalents.

10. Donated Legal Services

Donated services are reflected as contributions at their fair value at date of donation and are reported as operating revenue and without donor restrictions unless explicit donor stipulations specify how donated assets must be used. These amounts have been reported as donated services in the accompanying statements of activities and changes in net assets. GLAD Law recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

In fiscal years 2026 and 2025, GLAD Law received donated legal services of $9,499,313 and $8,140,741, respectively. These amounts were provided by several law firms in fiscal years 2026 and 2025.

GLAD Law’s policy related to donated services is to utilize the donated services to carry out the mission of GLAD Law.

All in-kind gifts received by GLAD Law for the years ended March 31, 2026 and 2025, were considered without donor restriction and able to be used by GLAD Law as determined by management.

GLAD Law also receives services from volunteers who have donated time in support of GLAD Law’s activities and services. The value of these services has not been reflected in the accompanying financial statements since the value of the goods is not readily determinable, and the services are not specialized as defined in Topic 958.

11. Liquidity

Financial assets available for use by GLAD Law within one year from the statements of financial position date for general operating expenses are as follows as of March 31:

	2026	2025
Cash and cash equivalents	$ 594,250	$ 1,255,652
Accounts receivable	22,086	11,043
Current portion of pledges receivable	531,532	303,185
Short-term investments	3,500,000	2,075,000
Total	4,647,868	3,644,880
Less - amounts subject to donor restrictions	(3,531,532)	(2,439,644)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,116,336	$ 1,205,236

GLAD Law is supported by contributions with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, GLAD Law must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of GLAD Law's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. GLAD Law has additional investments held in its portfolio for long-term purposes. With the approval of management and the Board of Directors', $6,699,394 and $6,558,496 at March 31, 2026 and 2025, respectively, could be used for general operations in the event of unanticipated liquidity needs.