The RAND Corporation

Uniform Guidance
Supplementary Financial Report
September 30, 2024

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RSM US LLP

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Trustees
The RAND Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States (*Government Auditing Standards)*, the consolidated financial statements of The RAND Corporation and its subsidiaries (RAND), which comprise the consolidated statement of financial position as of September 30, 2024, and the related consolidated statements of activities and of cash flows for the year then ended, and the related notes (collectively the consolidated financial statements), and have issued our report thereon dated March 26, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered RAND's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RAND's internal control. Accordingly, we do not express an opinion on the effectiveness of RAND's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether RAND's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

RAND's Response to Findings
Government Auditing Standards requires the auditor to perform limited procedures on RAND's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of RAND's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RAND's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Washington, D. C.
March 26, 2025

RSM US LLP

Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Board of Trustees
The RAND Corporation

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The RAND Corporation and its subsidiaries' (RAND) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of RAND's major federal programs for the year ended September 30, 2024. RAND's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, RAND complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of RAND and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of RAND's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to RAND's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on RAND's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about RAND's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 RAND's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of RAND's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of RAND's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of RAND as of and for the year ended September 30, 2024 and have issued our report thereon dated March 26, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Washington, D. C.
March 26, 2025

The RAND Corporation

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Asisstance Listing Number	Award Number	Direct	Pass-Through	Pass-Through Entity	Direct or Pass-through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
Research and Development Cluster								
DEPARTMENT OF COMMERCE								
National Oceanic and Atmospheric Administration (NOAA)								
Climate and Atmospheric Research	11.431	NA210AR4310275	$ 83,451	$ -			$ 83,451	$ -
Climate and Atmospheric Research	11.431	NA210AR4310310	1,171,819	-			1,171,819	725,832
Climate and Atmospheric Research	11.431		-	24,029	Johns Hopkins University	2005204857	24,029	-
Climate and Atmospheric Research	11.431		-	42,160	University Corporation for Atmospheric Research	SUBAWD003196	42,160	40,500
Cooperative Institute (Inter-Agency Funded Activities)	11.405		-	3,278	University of Michigan	SUBK00022593	3,278	-
Weather and Air Quality Research	11.459		-	1,232	University of Oklahoma	2023-79	1,232	-
Total for Department of Commerce			1,255,270	70,699			1,325,969	766,332
DEPARTMENT OF DEFENSE								
Department of the Army								
Military Medical Research and Development	12.420		-	115,840	University of Texas at Austin	UTAUS-SUB00000821	115,840	-
Joint Chiefs of Staff								
Intergovernmental Mobility of Federal, State and Local Employees	12.RD	IPA Agreement	317,282	-			317,282	-
Office of Secretary of Defense								
Intergovernmental Mobility of Federal, State and Local Employees	12.RD	IPA Agreement	2,000,464	-			2,000,464	-
Office of Secretary of Defense	12.RD	HQ0034-16-D-0001	40,353	-			40,353	-
Office of Secretary of Defense	12.RD	HQ003421D0006	(1,307,866)	-			(1,307,866)	-
Office of Secretary of Defense	12.RD	HQ003421F0060	2,200,927	-			2,200,927	33,505
Office of Secretary of Defense	12.RD	HQ003422F0012	9,197,710	-			9,197,710	-
Office of Secretary of Defense	12.RD	HQ003423F0005	45,716,036	-			45,716,036	-
Office of Secretary of Defense	12.RD	HQ003424F0003	15,578,736	-			15,578,736	600,000
Basic, Applied, and Advanced Research in Science and Engineering	12.630	HQ00342420010	148,311	-			148,311	-
US Air Force								
US Air Force	12.RD	FA701422F0161	4	-			4	-
US Air Force	12.RD	FA701422F0207	220,048	-			220,048	-
US Air Force	12.RD	FA701422F0233	296,481	-			296,481	-
US Air Force	12.RD	FA701422F0354	177,109	-			177,109	-
US Air Force	12.RD	FA701422F0361	31	-			31	-
US Air Force	12.RD	FA701422F0367	268,729	-			268,729	-
US Air Force	12.RD	FA701422F0397	521,066	-			521,066	-
US Air Force	12.RD	FA701422F0402	244,446	-			244,446	-
US Air Force	12.RD	FA701423F0002	2,106,648	-			2,106,648	-
US Air Force	12.RD	FA701423F0030	235,464	-			235,464	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Asisstance Listing Number	Award Number	Direct	Pass-Through	Pass-Through Entity	Direct or Pass-through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
US Air Force	12.RD	FA701423F0034	$ 330,583	$ -			$ 330,583	$ -
US Air Force	12.RD	FA701423F0058	6,224	-			6,224	-
US Air Force	12.RD	FA701423F0072	80,518	-			80,518	-
US Air Force	12.RD	FA701423F0077	458,325	-			458,325	-
US Air Force	12.RD	FA701423F0078	273,243	-			273,243	-
US Air Force	12.RD	FA701423F0079	128,108	-			128,108	-
US Air Force	12.RD	FA701423F0095	149,536	-			149,536	-
US Air Force	12.RD	FA701423F0109	635,744	-			635,744	-
US Air Force	12.RD	FA701423F0130	1,378,315	-			1,378,315	-
US Air Force	12.RD	FA701423F0137	201,650	-			201,650	-
US Air Force	12.RD	FA701423F0185	136,525	-			136,525	-
US Air Force	12.RD	FA701423F0244	718,905	-			718,905	-
US Air Force	12.RD	FA701423F0279	395,083	-			395,083	-
US Air Force	12.RD	FA701423F0282	457,454	-			457,454	-
US Air Force	12.RD	FA701423F0301	814,764	-			814,764	-
US Air Force	12.RD	FA701423F0305	611,983	-			611,983	-
US Air Force	12.RD	FA701423F0315	284,014	-			284,014	-
US Air Force	12.RD	FA701423F0348	83,676	-			83,676	-
US Air Force	12.RD	FA701423F0322	971,245	-			971,245	-
US Air Force	12.RD	FA701423F0313	994,812	-			994,812	-
US Air Force	12.RD	FA701423F0319	30,012,326	-			30,012,326	-
US Air Force	12.RD	FA701424F0004	534,306	-			534,306	-
US Air Force	12.RD	FA701424F0019	708,250	-			708,250	-
US Air Force	12.RD	FA701424F0028	458,229	-			458,229	-
US Air Force	12.RD	FA701424F0041	513,327	-			513,327	-
US Air Force	12.RD	FA701424F0040	250,812	-			250,812	-
US Air Force	12.RD	FA701424F0064	415,798	-			415,798	-
US Air Force	12.RD	FA701424F0068	320,802	-			320,802	-
US Air Force	12.RD	FA701424F0092	126,052	-			126,052	-
US Air Force	12.RD	FA701424F0101	45,758	-			45,758	-
US Air Force	12.RD	FA701424F0144	297,788	-			297,788	-
US Air Force	12.RD	FA701424F0163	83,415	-			83,415	-
US Air Force	12.RD	FA701424F0176	509,121	-			509,121	-
US Air Force	12.RD	FA701424F0155	68,410	-			68,410	-
US Air Force	12.RD	FA701424F0229	64,208	-			64,208	-
US Air Force	12.RD	FA701424F0253	16,550	-			16,550	-
US Air Force	12.RD	FA701424F0284	38,180	-			38,180	-
US Air Force	12.RD	FA701424F0357	41,157	-			41,157	-
US Air Force	12.RD	FA701424F0361	7,791	-			7,791	-
US Air Force	12.RD	FA701424F0370	3,255	-			3,255	-
US Air Force	12.RD	FA701424F0416	1,345	-			1,345	-
US Air Force	12.RD	FA701424F0430	645	-			645	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Asisstance Listing Number	Award Number	Direct	Pass-Through	Pass-Through Entity	Direct or Pass-through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
US Army								
US Army	12.RD	W91CRB-15-D-0022	$ 251,247	$ -			$ 251,247	$ -
US Army	12.RD	W91CRB22F0047	(25,076)	-			(25,076)	-
US Army	12.RD	W91CRB22F0065	2,344	-			2,344	-
US Army	12.RD	W91CRB22F0158	136	-			136	-
US Army	12.RD	W91CRB22F0182	191,152	-			191,152	-
US Army	12.RD	W91CRB22F0232	1,609,115	-			1,609,115	-
US Army	12.RD	W91CRB22F0262	103,626	-			103,626	-
US Army	12.RD	W91CRB22F0288	39,415	-			39,415	-
US Army	12.RD	W91CRB22F0425	298,206	-			298,206	-
US Army	12.RD	W91CRB22F0471	223,023	-			223,023	-
US Army	12.RD	W91CRB23F0026	1,395,642	-			1,395,642	-
US Army	12.RD	W91CRB23F0028	11,730,061	-			11,730,061	-
US Army	12.RD	W91CRB23F0093	2,872,360	-			2,872,360	-
US Army	12.RD	W91CRB23F0394	507,411	-			507,411	-
US Army	12.RD	W91CRB24F0012	17,619,839	-			17,619,839	-
US Army	12.RD	W91CRB24F0097	441,004	-			441,004	-
US Army	12.RD	W91CRB24F0291	444,312	-			444,312	-
US Army	12.RD	W91CRB24F0482	9,766	-			9,766	-
Total for Department of Defense			159,303,794	115,840			159,419,634	633,505
DEPARTMENT OF EDUCATION								
Department of Education	84.RD		-	16,227	Abt Associates Incorporated	53279/53280	16,227	-
Department of Education	84.RD		-	27,379	American Institutes for Research	0551900005	27,379	-
Department of Education	84.RD		-	453,614	Wested	S-00018883	453,614	-
Department of Education	84.RD		-	24,777	MDRC	1432-RAND-01	24,777	-
Institute of Education Sciences								
Building Adult Skills and Attainment Through Technology Research Network	84.305N		-	21,675	American Institutes for Research	0467100006	21,675	-
Continuous Improvement in Education Research	84.305H		-	262,959	University of North Carolina at Greensboro	20190051.3	262,959	-
Continuous Improvement in Education Research	84.305H		-	65,737	University of North Carolina at Greensboro	20210415.1	65,737	-
Education Research Grants program	84.305A	R305A200101	249,753	-			249,753	-
Education Research Grants program	84.305A	R305A210198	516,800	-			516,800	76,969
Education Research Grants program	84.305A	R305A220384	97,736	-			97,736	-
Education Research Grants program	84.305A	R305A230170	802,094	-			802,094	-
Education Research Grants program	84.305A	R305A240147	18,529	-			18,529	-
Education Research Grants program	84.305A		-	44,644	University of Michigan	SUBK00020542	44,644	-
Education Research Grants program	84.305A		-	69,454	American Institutes for Research	0501200002	69,454	-
Education Research Grants program	84.305A		-	58,516	University of North Carolina at Greensboro	R305A230404	58,516	-
Education Research Grants program	84.305A		-	87,668	University of Maryland	DOED0002-01	87,668	-
Education Research Grants program	84.305A		-	4,834	National Bureau of Economic Research	51790.00.00.00.7700	4,834	-

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Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Asisstance Listing Number	Award Number	Direct	Pass-Through	Pass-Through Entity	Direct or Pass-through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
Education Research Grants program	84.305A		$ -	$ 5,893	Virginia Commonwealth University	FP00013590_SA002	$ 5,893	$ -
Education Research Grants program	84.305A		-	14,567	University of Colorado Denver	FY20.901.003	14,567	-
Education Research Grants program	84.305A		-	9,553	University of Washington	UWSC15105	9,553	-
Education Research Grants program	84.305A		-	1,022	University of Washington	UWASHINGTON_9.10.2024	1,022	-
Research Grants Focused on Systematic Replication	84.305R		-	237,569	University of New Mexico	3RNF1	237,569	-
Research Grants Focused on Systematic Replication in Special Education	84.324R	R324R210009	548,647	-			548,647	124,685
Using Longitudinal Data To Support State Education Policymaking Grant Programs	84.305S	R305S230002	239,770	-			239,770	19,647
Using Longitudinal Data To Support State Education Policymaking Grant Programs	84.305S	R305S230005	205,146	-			205,146	-
Office of Elementary and Secondary Education								
Center to Improve Social and Emotional Learning and School Safety	84.424B		-	(24)	WestEd	S-16133	(24)	-
Charter Schools—Replication and Expansion of High-Quality Charter Schools Grants	84.282M		-	101,888	Ednovate Incorporated	RANDSUB	101,888	-
Education Innovation and Research Program (Early-Phase Grants)	84.411C		-	72,060	University of Oregon	226000-05652-PSC	72,060	-
Total for Department of Education			2,678,475	1,580,012			4,258,487	221,301
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Administration for Community Living (ACL)								
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433		-	48,054	Research Foundation for State University of New York	96309-1179619-2	48,054	-
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048		-	27,437	Allegheny County Department Human Services	53724	27,437	-
Agency for Healthcare Research and Quality								
Agency for Healthcare Research and Quality	93.RD		-	25,622	Johns Hopkins University	25042_141342	25,622	-
Research on Healthcare Costs, Quality and Outcomes	93.226	R01HS027782	422,740	-			422,740	65,366
Research on Healthcare Costs, Quality and Outcomes	93.226	R01HS027994	295,242	-			295,242	60,154
Research on Healthcare Costs, Quality and Outcomes	93.226	R18HS026168	144,081	-			144,081	62,787
Research on Healthcare Costs, Quality and Outcomes	93.226	U18HS029321	1,260,679	-			1,260,679	11,209
Research on Healthcare Costs, Quality and Outcomes	93.226	R01HS029658	236,050	-			236,050	37,046
Research on Healthcare Costs, Quality and Outcomes	93.226		-	43,428	Pennsylvania State University	RANDHS028651	43,428	-
Research on Healthcare Costs, Quality and Outcomes	93.226		-	123,302	University of Minnesota	P009259453	123,302	-
Research on Healthcare Costs, Quality and Outcomes	93.226		-	33,535	Brigham and Womens Hospital	126064	33,535	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Asisstance Listing Number	Award Number	Direct	Pass-Through	Pass-Through Entity	Direct or Pass-through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
Centers for Disease Control and Prevention								
Centers for Disease Control and Prevention	93.RD	75D30122C14256	$ 681,745	$ -			$ 681,745	$ -
Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects	93.185		-	98,525	University of Iowa	S01976-01	98,525	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	R01CE002999	15,774	-			15,774	15,774
Occupational Safety and Health Program	93.262	R01OH012578	358,709	-			358,709	110,928
The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Leve	93.334		-	89,339	University of Minnesota	P008703961	89,339	-
Centers for Medicare and Medicaid Services								
Centers for Medicare and Medicaid Services	93.RD		-	18,423	Abt Associates Incorporated	50082	18,423	4,811
Centers for Medicare and Medicaid Services	93.RD		-	101,355	Abt Associates Incorporated	55222	101,355	-
Centers for Medicare and Medicaid Services	93.RD		-	12,889	Mathematica	50496S05638	12,889	-
Centers for Medicare and Medicaid Services	93.RD		-	869,494	MITRE Corporation	126421_1165045	869,494	-
Centers for Medicare and Medicaid Services	93.RD		-	1,287,931	MITRE Corporation	1168738	1,287,931	-
Centers for Medicare and Medicaid Services	93.RD		-	157,375	MITRE Corporation	1170227	157,375	-
Centers for Medicare and Medicaid Services	93.RD	75FCMC19D0093_75FCMC20F0001	2,058,858	-			2,058,858	
Centers for Medicare and Medicaid Services	93.RD	75FCMC19D0093_75FCMC20F0001	909,282	-			909,282	99,718
Department of Health and Human Services								
Department of Health and Human Services	93.RD	HHSP233201500038I	172,148	-			172,148	14,217
Department of Health and Human Services	93.RD	HHSP233201500038I_75P00121F37025	1,419,575	-			1,419,575	27,867
Department of Health and Human Services	93.RD	HHSP233201500038I_75P00123F37026	1,775,478	-			1,775,478	2,810
National Cancer Institute								
Intergovernmental Mobility of Federal, State, and Local Employee	93.RD	IPA Agreement	64,823	-			64,823	-
National Institute of Mental Health								
Intergovernmental Mobility of Federal, State, and Local Employee	93.RD	IPA Agreement	131,233	-			131,233	-

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National Institutes of Health								
Aging Research	93.866	R56AG087032	$ 2,688	$ -			$ 2,688	$ -
Aging Research	93.866	R01AG072057	181,642	-			181,642	24,349
Aging Research	93.866	R01AG072652	2,114,451	-			2,114,451	989,937
Aging Research	93.866	R01AG073286	150,604	-			150,604	-
Aging Research	93.866	R01AG073289	694,477	-			694,477	29,183
Aging Research	93.866	R01AG075508	621,830	-			621,830	145,195
Aging Research	93.866	R03AG067871	5,147	-			5,147	-
Aging Research	93.866	R21AG061433	70,490	-			70,490	-
Aging Research	93.866	R21AG069787	115,788	-			115,788	-
Aging Research	93.866	R21AG071925	157,817	-			157,817	2,428
Aging Research	93.866	R21AG072609	178,320	-			178,320	-
Aging Research	93.866	R61AG069776	189,817	-			189,817	-
Aging Research	93.866	T32AG000244-26-30	136,669	-			136,669	-
Aging Research	93.866	R01AG079230	384,968	-			384,968	-
Aging Research	93.866	R21AG083824	23,175	-			23,175	-
Aging Research	93.866	R01AG088896	25,983	-			25,983	-
Aging Research	93.866		-	74,175	University of Southern California	SCON-00003935	74,175	-
Aging Research	93.866		-	313	University of Southern California	SCON-00006882	313	-
Aging Research	93.866		-	411,543	University of Michigan	3004822334	411,543	-
Aging Research	93.866		-	526,438	University of Michigan	SUBK00016875	526,438	-
Aging Research	93.866		-	555,398	University of Michigan	SUBK00020108	555,398	-
Aging Research	93.866		-	32,160	University of California, Los Angeles	1557 G YA528	32,160	-
Aging Research	93.866		-	23,838	University of California, Los Angeles	1557 G ZA526	23,838	-
Aging Research	93.866		-	36,047	University of California, Los Angeles	1558 G WA576	36,047	-
Aging Research	93.866		-	163,511	University of Utah	10064334-01-RC	163,511	-
Aging Research	93.866		-	56,144	University of Utah	10067733-02-RAND	56,144	-
Aging Research	93.866		-	191,347	Johns Hopkins University	2005938034	191,347	-
Aging Research	93.866		-	9,246	Universuty of California	1558 G WA386	9,246	-
Aging Research	93.866		-	290,745	Trustees of Columbia University in the City of NY	1(GG017681-01)	290,745	-
Aging Research	93.866		-	240,616	Brigham and Womens Hospital	R01AG083035_129730	240,616	-
Aging Research	93.866		-	47,988	University of Pennsylvania	P30AG064105 585030	47,988	-
Aging Research	93.866		-	5,662	Brown University	00002121	5,662	-
Aging Research	93.866		-	125,225	Emory University	A880330	125,225	-
Aging Research	93.866		-	226,739	University of Colorado Denver	FY24.1300.003	226,739	-
Aging Research	93.866		-	18,931	University of California, Berkeley—DNU	00011459	18,931	-
Alcohol Research Programs	93.273	R01AA025641	319,366	-			319,366	22,998
Alcohol Research Programs	93.273	R01AA025956	241,080	-			241,080	-
Alcohol Research Programs	93.273	R01AA026457	282,108	-			282,108	-
Alcohol Research Programs	93.273	R01AA028812	676,239	-			676,239	38,007
Alcohol Research Programs	93.273	R01AA029081	448,201	-			448,201	-

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Alcohol Research Programs	93.273	R61AA029064	$ 362,582	$ -			$ 362,582	$ -
Alcohol Research Programs	93.273	R01AA031037	546,261	-			546,261	196,024
Alcohol Research Programs	93.273	R01AA030890	254,690	-			254,690	-
Alcohol Research Programs	93.273		-	5,938	University of Southern California	132368375	5,938	-
Alcohol Research Programs	93.273		-	35,377	University of Southern California	SCON-00005847	35,377	-
Alcohol Research Programs	93.273		-	32,663	Boston Medical Center	7073	32,663	-
Alcohol Research Programs	93.273		-	84,776	Harvard University	150552.5117594.0004	84,776	-
Alcohol Research Programs	93.273		-	123,092	Harvard University	151860.5123013.0002	123,092	-
Alcohol Research Programs	93.273		-	58,370	Stanford University	62876858-227772	58,370	-
Alcohol Research Programs	93.273		-	71,239	Stanford University	63058717-242881	71,239	-
Allergy and Infectious Diseases Research	93.855	R01AI160240	532,464	-			532,464	-
Allergy and Infectious Diseases Research	93.855	R01AI169293	1,080,891	-			1,080,891	-
Allergy and Infectious Diseases Research	93.855		-	37,799	University of California, Los Angeles	1440 G LA811	37,799	-
Allergy and Infectious Diseases Research	93.855		-	6,500	University of California, Los Angeles	15590000103583	6,500	-
Cancer Cause and Prevention Research	93.393	R01CA149105 (6-10)	(5,983)	-			(5,983)	-
Cancer Cause and Prevention Research	93.393	R01CA236608	512,270	-			512,270	-
Cancer Cause and Prevention Research	93.393	R01CA261639	657,242	-			657,242	-
Cancer Cause and Prevention Research	93.393	R01CA282284	543,906	-			543,906	243,802
Cancer Cause and Prevention Research	93.393	R21CA263723	106,859	-			106,859	-
Cancer Cause and Prevention Research	93.393	R37CA249707	181,059	-			181,059	-
Cancer Cause and Prevention Research	93.393		-	19,808	University of Southern California	U01CA261624_SCON-00002639	19,808	-
Cancer Cause and Prevention Research	93.393		-	41,567	Kaiser Permanente	R01CA265020_OOS030571-RAND-01	41,567	-
Cancer Cause and Prevention Research	93.393		-	86,558	Memorial Sloan-Kettering Cancer Center	U01CA253913	86,558	-
Cancer Detection and Diagnosis Research	93.394	R01CA218188	505,872	-			505,872	64,257
Cancer Detection and Diagnosis Research	93.394	2018-R2-CX-0028	(11,702)	-			(11,702)	-
Cardiovascular Diseases Research	93.837	R01HL148420	310,357	-			310,357	-
Cardiovascular Diseases Research	93.837	R01HL155187	586,182	-			586,182	150,149
Cardiovascular Diseases Research	93.837		-	127,693	University of Southern California	119954490	127,693	-
Cardiovascular Diseases Research	93.837		-	77,259	Cedars-Sinai Medical Center	1881132	77,259	-
Child Health and Human Development Extramural Research	93.865	R01HD090231	174,461	-			174,461	-
Child Health and Human Development Extramural Research	93.865	R01HD102412	522,860	-			522,860	-
Child Health and Human Development Extramural Research	93.865	R01HD104555	696,437	-			696,437	350,020
Child Health and Human Development Extramural Research	93.865	R01HD104835	316,806	-			316,806	135,351
Child Health and Human Development Extramural Research	93.865	R01HD109190	594,584	-			594,584	73,452
Child Health and Human Development Extramural Research	93.865	R21HD097599	73,836	-			73,836	-
Child Health and Human Development Extramural Research	93.865		-	36,304	University of Southern California	SCON-00006850	36,304	-
Child Health and Human Development Extramural Research	93.865		-	269,891	University of California, Irvine	2018-3600	269,891	-
Child Health and Human Development Extramural Research	93.865		-	23,556	University of Georgia	SUB00001733	23,556	-

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Child Health and Human Development Extramural Research	93.865		$ -	$ 53,340	Regents of the University of California at Berkeley (UC Berkeley)	00010851	$ 53,340	$ -
Child Health and Human Development Extramural Research	93.865		-	8,734	Case Western Reserve University	RES516265	8,734	-
Child Health and Human Development Extramural Research	93.865		-	48,827	Mbarara University of Science and Technology	1R21HD107985-01A1-RAND	48,827	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK126049	227,498	-			227,498	121,440
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		-	38,762	Northwestern University	60053118 RAND	38,762	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		-	122,171	Kaiser Permanente	RNG211922-RAND-01	122,171	-
Drug Abuse and Addiction Research Programs	93.279	P50DA046351 6-10	1,744,128	-			1,744,128	544,385
Drug Abuse and Addiction Research Programs	93.279	R01DA045055	140,177	-			140,177	55,079
Drug Abuse and Addiction Research Programs	93.279	R01DA045800	123,132	-			123,132	18,452
Drug Abuse and Addiction Research Programs	93.279	R01DA046226	687,316	-			687,316	290,375
Drug Abuse and Addiction Research Programs	93.279	R01DA048910	446,352	-			446,352	-
Drug Abuse and Addiction Research Programs	93.279	R01DA051545	679,216	-			679,216	163,847
Drug Abuse and Addiction Research Programs	93.279	R01DA056588	619,051	-			619,051	28,216
Drug Abuse and Addiction Research Programs	93.279	R21DA052655	116,431	-			116,431	-
Drug Abuse and Addiction Research Programs	93.279	R34DA047502	109,910	-			109,910	2,084
Drug Abuse and Addiction Research Programs	93.279	UH3DA050235	712,893	-			712,893	57,686
Drug Abuse and Addiction Research Programs	93.279	P50DA046351 6-10:CFWD YR3 TO YR6	171,237	-			171,237	-
Drug Abuse and Addiction Research Programs	93.279	OT2DA061064	22,114	-			22,114	-
Drug Abuse and Addiction Research Programs	93.279		-	17,746	University of California, Los Angeles	2000 G XA101	17,746	-
Drug Abuse and Addiction Research Programs	93.279		-	20,934	University of California, Los Angeles	2000 G XE690_20000000083324	20,934	-
Drug Abuse and Addiction Research Programs	93.279		-	14,756	Pennsylvania State University	RAND_DA047396	14,756	-
Drug Abuse and Addiction Research Programs	93.279		-	24,222	Harvard University	153367.5111796.0002	24,222	-
Drug Abuse and Addiction Research Programs	93.279		-	67,359	University of Chicago	AWD104433 (SUB00001017)	67,359	-
Drug Abuse and Addiction Research Programs	93.279		-	40,521	University of California, San Diego	KR 704400	40,521	-
Drug Abuse and Addiction Research Programs	93.279		-	45,492	Multnomah County Health Department	HD-SVCSGEN-12515-2021	45,492	-
Drug Abuse and Addiction Research Programs	93.279		-	7,844	San Diego State University Research Foundation	D8253-03 SA00 5A441A 7803	7,844	-
Drug Abuse and Addiction Research Programs	93.279		-	5,307	Johns Hopkins University	20240716_JohnsHopkins	5,307	-
Drug Abuse and Addiction Research Programs	93.279		-	54,968	Vanderbilt University Medical Center	VUMC103749	54,968	-
Drug Abuse and Addiction Research Programs	93.279		-	39,789	Vanderbilt University Medical Center	VUMC115190	39,789	-
Drug Abuse and Addiction Research Programs	93.279		-	3,066	Emory University	A1049270	3,066	-
Drug Abuse and Addiction Research Programs	93.279		-	8,151	Emory University	A1048475	8,151	-
Drug Abuse and Addiction Research Programs	93.279		-	9,809	Yale University	CON-80005000 (GR123416)	9,809	-
Drug Abuse and Addiction Research Programs	93.279		-	87,937	San Diego State University	D10544-04 SA1085 A1 5B404A 7804	87,937	-
Drug Abuse and Addiction Research Programs	93.279		-	32,316	University of Texas Southwestern Medical Center	GMO: 240109 PO: 0000003252	32,316	-
Drug Abuse and Addiction Research Programs	93.279		-	136,895	University of Texas Southwestern Medical Center	GMO: 240109 PO: 0000003252A	136,895	-
Drug Abuse and Addiction Research Programs	93.279		-	38,037	The Ohio State University	SPC-1000013149 |GR135382	38,037	-
Environmental Health	93.113		-	143,481	Johns Hopkins University	2005727621	143,481	-

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Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		$ -	$ 1,454	Fellows of Harvard College	153366.5110641.0003	$ 1,454	$ -
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		-	38,756	University of Chicago	AWD101469 (SUB00000382)	38,756	-
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077	R01DA050972	100,956	-			100,956	-
Lung Diseases Research	93.838		-	97,595	Kaiser Permanente	RNG211577-RAND	97,595	-
Mental Health Research Grants	93.242	K01MH129165	168,223	-			168,223	4,489
Mental Health Research Grants	93.242	R01MH115830	523,729	-			523,729	43,429
Mental Health Research Grants	93.242	R01MH117760	553,992	-			553,992	421,008
Mental Health Research Grants	93.242	R01MH121256	490,327	-			490,327	340,194
Mental Health Research Grants	93.242	R01MH123585	1,149,080	-			1,149,080	693,280
Mental Health Research Grants	93.242	R01MH126691	759,365	-			759,365	168,293
Mental Health Research Grants	93.242	R03MH132119	49,471	-			49,471	-
Mental Health Research Grants	93.242	R21MH122889	33,399	-			33,399	4,260
Mental Health Research Grants	93.242	R21MH126150	214,225	-			214,225	-
Mental Health Research Grants	93.242	R21MH128522	225,605	-			225,605	29,232
Mental Health Research Grants	93.242	R34MH119889	167,451	-			167,451	58,121
Mental Health Research Grants	93.242	R34MH119924	230,691	-			230,691	1,828
Mental Health Research Grants	93.242	R34MH121229	166,353	-			166,353	1,584
Mental Health Research Grants	93.242	R34MH122331	217,362	-			217,362	1,952
Mental Health Research Grants	93.242	R34MH126478	68,153	-			68,153	34,868
Mental Health Research Grants	93.242	UF1MH121954	1,968,806	-			1,968,806	359,925
Mental Health Research Grants	93.242	R01MH136658	77,734	-			77,734	4,973
Mental Health Research Grants	93.242	R01MH135595	3,099	-			3,099	-
Mental Health Research Grants	93.242	R01MH137074	5,538	-			5,538	-
Mental Health Research Grants	93.242	R01MH135751	27,719	-			27,719	-
Mental Health Research Grants	93.242	R01MH138475	10,836	-			10,836	-
Mental Health Research Grants	93.242		-	9,418	University of California, Los Angeles	1550 G ZA902	9,418	-
Mental Health Research Grants	93.242		-	15,432	University of California, Los Angeles	3814 G LA107	15,432	-
Mental Health Research Grants	93.242		-	44,565	Massachusetts General Hospital	232959	44,565	-
Mental Health Research Grants	93.242		-	153,768	Harvard University	150824.5120900.0007	153,768	-
Mental Health Research Grants	93.242		-	235,187	Harvard University	151731.5123183.0002	235,187	-
Mental Health Research Grants	93.242		-	156,612	San Diego State University Research Foundation	D8613-04 SA00 5A368A 7803	156,612	-
Mental Health Research Grants	93.242		-	32,477	San Diego State University Research Foundation	D10693-02 SA1076 5B371A 7803	32,477	-
Mental Health Research Grants	93.242		-	1,774	San Diego State University Research Foundation	D10960-04 SA1095 A0 5B455A 7803	1,774	-

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Mental Health Research Grants	93.242		$ -	$ 4,689	University of Minnesota	R01MH135530	$ 4,689	$ -
Mental Health Research Grants	93.242		-	43,609	Brown University	00002452	43,609	-
Mental Health Research Grants	93.242		-	136,473	George Mason University	E2062693	136,473	-
Mental Health Research Grants	93.242		-	16,136	University of Massachusetts Amherst	017685-9173	16,136	-
Mental Health Research Grants	93.242		-	36,669	University of Washington	UWSC14866	36,669	-
Mental Health Research Grants	93.242		-	148,753	Incorporated	AH001028	148,753	-
Mental Health Research Grants	93.242		-	58,630	Harvard Medical School	152574.5127843.0002	58,630	-
Minority Health and Health Disparties Research	93.307	R01MD010360	485,972	-			485,972	42,806
Minority Health and Health Disparties Research	93.307	R01MD012190	208,670	-			208,670	-
Minority Health and Health Disparties Research	93.307	R01MD012638	653,630	-			653,630	31,231
Minority Health and Health Disparties Research	93.307	R01MD014722	661,173	-			661,173	351,038
Minority Health and Health Disparties Research	93.307	R01MD015713	160,797	-			160,797	-
Minority Health and Health Disparties Research	93.307	R01MD016892	684,866	-			684,866	101,265
Minority Health and Health Disparties Research	93.307	R01MD017060	326,870	-			326,870	173,170
Minority Health and Health Disparties Research	93.307	R01MD017062	508,111	-			508,111	-
Minority Health and Health Disparties Research	93.307	R01MD017232	841,856	-			841,856	503,201
Minority Health and Health Disparties Research	93.307	R01MD019278	9,824	-			9,824	-
Minority Health and Health Disparties Research	93.307	R01MD019798	33,157	-			33,157	-
Minority Health and Health Disparties Research	93.307		-	21,167	University of California, Los Angeles	19180000161819	21,167	-
Minority Health and Health Disparties Research	93.307		-	86,428	University of Minnesota	N009867902	86,428	-
Minority Health and Health Disparties Research	93.307		-	69,619	ASP.MD	R41MD017162_1	69,619	-
Minority Health and Health Disparties Research	93.307		-	21,016	Fred Hutchinson Cancer Center	0001173918	21,016	-
National Center for Advancing Translational Sciences	93.350		-	(150)	Cedars-Sinai Medical Center	U01TR002756_0002077262	(150)	-
National Center for Advancing Translational Sciences	93.350		-	272,559	Cedars-Sinai Medical Center	U01TR002756_0002256032	272,559	-
National Center for Advancing Translational Sciences	93.350		-	(800)	Cedars-Sinai Medical Center	U01TR002756_0001891298	(800)	-
National Center for Advancing Translational Sciences	93.350		-	496,764	Tufts University	PO EP0230736	496,764	-
Nursing Research	93.361	R01NR018837	596,962	-			596,962	64,385
Nursing Research	93.361	R01NR020788	258,451	-			258,451	32,907
Nursing Research	93.361		-	147,391	Trustees of Columbia University in the City of NY	1(GG017736-01)	147,391	-
Nursing Research	93.361		-	15,143	Trustees of Columbia University in the City of NY	1(GG017736-01)	15,143	-
Nursing Research	93.361		-	303,136	Trustees of Columbia University in the City of NY	1(GG017736-01)	303,136	-
Oral Diseases and Disorders Research	93.121	R01DE028530	443,339	-			443,339	206,419

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Research and Training in Complementary and Integrative Health	93.213	R01AT010402	$ 331,054	$ -			$ 331,054	$ 55,570
Research and Training in Complementary and Integrative Health	93.213	U24AT012549	1,277,925	-			1,277,925	223,330
Research and Training in Complementary and Integrative Health	93.213		-	87,641	Kaiser Foundation Research Institute	RNG210883-RAND	87,641	-
Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders	93.840		-	185,029	University of California, Los Angeles	1557 G YA601	185,029	-
Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders	93.840		-	38,144	University of California, Los Angeles	15570000094341 (OLD: 1557 G WA048)	38,144	-
Total for Department of Health and Human Services			46,003,437	11,156,713			57,160,150	8,212,161
DEPARTMENT OF HOMELAND SECURITY								
Office of Biometric Identity Management								
Intergovernmental Mobility of Federal, State, and Local Employees	97.RD	IPA Agreement	103,332	-			103,332	-
US Department of Homeland Security								
US Department of Homeland Security	97.RD	70B02C22F00000726	217,811	-			217,811	-
US Department of Homeland Security	97.RD	70B02C23F00000360	577,537	-			577,537	-
US Department of Homeland Security	97.RD	70B06C22F00001060	100,313	-			100,313	-
US Department of Homeland Security	97.RD	70B06C22F00001070	363,594	-			363,594	-
US Department of Homeland Security	97.RD	70CMSW23FR0000096	1,843,893	-			1,843,893	-
US Department of Homeland Security	97.RD	70FA2022F00000068	5,144,173	-			5,144,173	2,448,549
US Department of Homeland Security	97.RD	70FA4022F00000193	281,502	-			281,502	-
US Department of Homeland Security	97.RD	70FA4022F00000216	488,726	-			488,726	-
US Department of Homeland Security	97.RD	70FA4022F00000362	190,806	-			190,806	-
US Department of Homeland Security	97.RD	70FA4023F00000454	244,647	-			244,647	-
US Department of Homeland Security	97.RD	70FA5023F00000017	786,433	-			786,433	44,591
US Department of Homeland Security	97.RD	70FA6022F00000077	342,671	-			342,671	33,178
US Department of Homeland Security	97.RD	70FA6023F00000018	541,057	-			541,057	-
US Department of Homeland Security	97.RD	70FA6023F00000077	1,867,410	-			1,867,410	-
US Department of Homeland Security	97.RD	70FB8023F00000047	26,552,693	-			26,552,693	-
US Department of Homeland Security	97.RD	70FBR222F00000165	1,334,536	-			1,334,536	-
US Department of Homeland Security	97.RD	70RCSA22FR0000028	898,722	-			898,722	-
US Department of Homeland Security	97.RD	70RCSA22FR0000056	109,857	-			109,857	-
US Department of Homeland Security	97.RD	70RCSA22FR0000072	183	-			183	-
US Department of Homeland Security	97.RD	70RCSJ22FR0000005	131,320	-			131,320	-
US Department of Homeland Security	97.RD	70RCSJ23FR0000019	1,658,673	-			1,658,673	-
US Department of Homeland Security	97.RD	70RCSJ23FR0000027	528,394	-			528,394	-
US Department of Homeland Security	97.RD	70RDAD22FR0000119	2,503,595	-			2,503,595	-
US Department of Homeland Security	97.RD	70RDAD22FR0000121	38,713	-			38,713	-
US Department of Homeland Security	97.RD	70RDAD23FR0000130	500,109	-			500,109	-
US Department of Homeland Security	97.RD	70RDAD23FR0000131	91,546	-			91,546	-
US Department of Homeland Security	97.RD	70RSAT22FR0000042	726,887	-			726,887	-
US Department of Homeland Security	97.RD	70RSAT22FR0000045	307,825	-			307,825	-
US Department of Homeland Security	97.RD	70RSAT22FR0000046	221,302	-			221,302	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Award Number	Direct	Pass-Through	Pass-Through Entity	Direct or Pass-through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
US Department of Homeland Security	97.RD	70RSAT22FR0000055	$ 1,523,166	$ -			$ 1,523,166	$ -
US Department of Homeland Security	97.RD	70RSAT22FR0000056	141,919	-			141,919	-
US Department of Homeland Security	97.RD	70RSAT22FR0000064	243,192	-			243,192	-
US Department of Homeland Security	97.RD	70RSAT22FR0000065	665,333	-			665,333	-
US Department of Homeland Security	97.RD	70RSAT22FR0000066	531,126	-			531,126	-
US Department of Homeland Security	97.RD	70RSAT22FR0000074	126,022	-			126,022	-
US Department of Homeland Security	97.RD	70RSAT22FR0000087	432,814	-			432,814	-
US Department of Homeland Security	97.RD	70RSAT22FR0000125	484,735	-			484,735	-
US Department of Homeland Security	97.RD	70RSAT22FR0000161	64,546	-			64,546	-
US Department of Homeland Security	97.RD	70RSAT23FR0000003	383,672	-			383,672	-
US Department of Homeland Security	97.RD	70RSAT23FR0000004	4,173,598	-			4,173,598	-
US Department of Homeland Security	97.RD	70RSAT23FR0000005	402,511	-			402,511	-
US Department of Homeland Security	97.RD	70RSAT23FR0000013	174,804	-			174,804	-
US Department of Homeland Security	97.RD	70RSAT23FR0000016	49,580	-			49,580	-
US Department of Homeland Security	97.RD	70RSAT23FR0000044	99,401	-			99,401	-
US Department of Homeland Security	97.RD	70RSAT23FR0000051	576,941	-			576,941	-
US Department of Homeland Security	97.RD	70RSAT23FR0000055	292,369	-			292,369	-
US Department of Homeland Security	97.RD	70RSAT23FR0000058	959,599	-			959,599	-
US Department of Homeland Security	97.RD	70RSAT23FR0000062	228,261	-			228,261	-
US Department of Homeland Security	97.RD	70RSAT23FR0000063	266,320	-			266,320	-
US Department of Homeland Security	97.RD	70RSAT23FR0000074	264,699	-			264,699	-
US Department of Homeland Security	97.RD	70RSAT23FR0000099	844,021	-			844,021	-
US Department of Homeland Security	97.RD	70RSAT23FR0000100	398,307	-			398,307	-
US Department of Homeland Security	97.RD	70RTAC23FR0000086	434,200	-			434,200	-
US Department of Homeland Security	97.RD	70RTAC23FR0000095	329,162	-			329,162	-
US Department of Homeland Security	97.RD	70RWMD22F00000029	69,699	-			69,699	-
US Department of Homeland Security	97.RD	70RWMD22F00000030	840,882	-			840,882	-
US Department of Homeland Security	97.RD	70RWMD23F00000026	721,087	-			721,087	-
US Department of Homeland Security	97.RD	70RWMD23F00000028	388,029	-			388,029	-
US Department of Homeland Security	97.RD	70RWMD23F00000034	750,559	-			750,559	-
US Department of Homeland Security	97.RD	70RWMD23F00000036	412,237	-			412,237	-
US Department of Homeland Security	97.RD	70RWMD23F00000037	1,261,352	-			1,261,352	-
US Department of Homeland Security	97.RD	70T05022F7800N001	88,082	-			88,082	-
US Department of Homeland Security	97.RD	70US0922F1DHS2280	311,877	-			311,877	-
US Department of Homeland Security	97.RD	70US0923F1DHS2684	391,651	-			391,651	-
US Department of Homeland Security	97.RD	70Z02322FDCO50001	53,421	-			53,421	-
US Department of Homeland Security	97.RD	70Z02322FDCOX0001	1,222,966	-			1,222,966	-
US Department of Homeland Security	97.RD	70Z02322FMER00002	32,000	-			32,000	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Award Number	Direct	Pass-Through	Pass-Through Entity	Direct or Pass-through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
US Department of Homeland Security	97.RD	70Z02322FPAE00001	$ 1,680	$ -			$ 1,680	$ -
US Department of Homeland Security	97.RD	70Z02322FPAE10002	654,702	-			654,702	-
US Department of Homeland Security	97.RD	70Z02323F91270001	401,562	-			401,562	-
US Department of Homeland Security	97.RD	70Z02323F93260001	447,313	-			447,313	-
US Department of Homeland Security	97.RD	70RDAD23FR0000118	42,095	-			42,095	-
US Department of Homeland Security	97.RD	70Z02323FDCOX0001	204,522	-			204,522	-
US Department of Homeland Security	97.RD	70Z02323FDCO50002	174,567	-			174,567	-
US Department of Homeland Security	97.RD	70RCSJ23FR0000033	95,005	-			95,005	-
US Department of Homeland Security	97.RD	70RCSJ23FR0000076	788,701	-			788,701	-
US Department of Homeland Security	97.RD	70RDAD23FR0000144	618,793	-			618,793	-
US Department of Homeland Security	97.RD	70FA4023F00000550	588,855	-			588,855	-
US Department of Homeland Security	97.RD	70RDAD23FR0000164	717,571	-			717,571	35,000
US Department of Homeland Security	97.RD	70RDAD23FR0000159	2,017,110	-			2,017,110	-
US Department of Homeland Security	97.RD	70FBR224F00000003	815,997	-			815,997	-
US Department of Homeland Security	97.RD	70RSAT24FR0000011	45,002	-			45,002	-
US Department of Homeland Security	97.RD	70RSAT24FR0000020	143,849	-			143,849	-
US Department of Homeland Security	97.RD	70RSAT24FR0000028	87,015	-			87,015	-
US Department of Homeland Security	97.RD	70CMSW24FR0000062	82,528	-			82,528	-
US Department of Homeland Security	97.RD	70RSAT24FR0000041	94,416	-			94,416	-
US Department of Homeland Security	97.RD	70RDA224FR0000026	72,345	-			72,345	-
US Department of Homeland Security	97.RD	70RCSJ24FR0000043	91,085	-			91,085	-
US Department of Homeland Security	97.RD	70RSAT24FR0000073	5,630	-			5,630	-
US Department of Homeland Security	97.RD	70Z02324F11310002	24,318	-			24,318	-
US Department of Homeland Security	97.RD	70FB8024F00000074	95,928	-			95,928	-
US Department of Homeland Security	97.RD	70RWMD24F00000031	19,043	-			19,043	-
US Department of Homeland Security	97.RD	70RTAC24FR0000098	3,776	-			3,776	-
US Department of Homeland Security	97.RD	70Z02324FPAE00001	69	-			69	-
US Department of Homeland Security	97.RD	70RSAT24FR0000078	263	-			263	-
Total for Department of Homeland Security			77,666,140	-			77,666,140	2,561,318
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
Assistant Secretary for Community Planning and Development								
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228		-	7,849,720	Puerto Rico Department of Housing	2024-DR0009	7,849,720	-
Total for Department of Housing and Urban Development			-	7,849,720			7,849,720	-
DEPARTMENT OF JUSTICE								
Department of Justice								
Department of Justice	16.RD	15PVCD21C00000003	6,315	-			6,315	-
Community Oriented Policing Services								
Public Safety Partnership and Community Policing Grants	16.710	2020CKWXK048	11,192	-			11,192	-

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Award Number	Direct	Pass-Through	Pass-Through Entity	Direct or Pass-through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
Office of Justice Programs								
Juvenile Mentoring Program	16.726		$ -	$ 129,486	Dream Academy	OJJDP-2020-16930	$ 129,486	$ -
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	15PNIJ-21-GG-02708-RESS	193,785	-			193,785	-
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	15PNIJ-21-GG-04709-NIJB	110,732	-			110,732	-
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	15PNIJ-22-GG-01119-DOMR	240,018	-			240,018	-
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2017-CK-BX-0020	718,819	-			718,819	77,011
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2018-75-CX-K006	1,507,762	-			1,507,762	845,143
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2020-JX-FX-K007	98,488	-			98,488	45,866
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2020-R2-CX-0002	234	-			234	-
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	15PNIJ-23-GG-05494-RESS	14,199	-			14,199	-
Total for Department of Justice			2,901,544	129,486			3,031,030	968,020
DEPARTMENT OF STATE								
Bureau of International Security and Nonproliferation								
Global Threat Reduction	19.033	SISNCT22CA0065	214,643	-			214,643	-
Global Threat Reduction	19.033	SISNCT24CA0023	478,821	-			478,821	-
Department of State								
Intergovernmental Mobility of Federal, State, and Local Employees	19.RD	IPA Agreement	453,083	-			453,083	-
Total for Department of State			1,146,547	-			1,146,547	-
DEPARTMENT OF TRANSPORTATION								
Department of Transportation								
Department of Transportation	20.RD		-	2,447	Atlanta Regional Commission	UP2320	2,447	-
Total for Department of Transportation			-	2,447			2,447	-
ENVIRONMENTAL PROTECTION AGENCY								
Environmental Protection Agency								
Chesapeake Bay Program	66.466	95334201	30,134	-			30,134	7,905
Science to Achieve Results (STAR) Research Program	66.509	84047301	186,308	-			186,308	129,615
Total for Environmental Protection Agency			216,442	-			216,442	137,520

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Award Number	Direct	Pass-Through	Pass-Through Entity	Direct or Pass-through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
MILLENNIUM CHALLENGE CORPORATION								
Millenium Challenge Corporation								
Millenium Challenge Corporation	85.RD	95332418C0283	$ 427,776	$ -			$ 427,776	$ -
Total for Millennium Challenge Corporation			427,776	-			427,776	-
NATIONAL AERONAUTIICS AND SPACE ADMINISTRATION								
National Aeronautics and Space Administration								
Science	43.001		-	106,964	University of Oklahoma	2022-50	106,964	-
Total for National Aeronautics and Space Administration			-	106,964			106,964	-
NATIONAL SCIENCE FOUNDATION								
National Science Foundation								
Computer and Information Science and Engineering	47.070	1837959	257,951	-			257,951	-
Computer and Information Science and Engineering	47.070	2202345	60,761	-			60,761	-
Education and Human Resources	47.076	2122436	169,435	-			169,435	99,813
Education and Human Resources	47.076	2141992	210,678	-			210,678	-
Education and Human Resources	47.076	2235912	100,849	-			100,849	-
Education and Human Resources	47.076	2319933	90,436	-			90,436	12,393
Education and Human Resources	47.076		-	15,939	Seattle Colleges	C800416	15,939	-
Education and Human Resources	47.076		-	144,682	Western Michigan University	PAF10596-Rand	144,682	-
Education and Human Resources	47.076		-	45,067	Clemson University	2417-206-2015443	45,067	-
Education and Human Resources	47.076		-	194,927	Pennsylvania Western University, California	Cormas-2122-001	194,927	-
Education and Human Resources	47.076		-	74,246	Massachusetts Institute for Technology	s6346, PO# 1057427	74,246	-
Engineering	47.041	2048637	206,001	-			206,001	-
Engineering	47.041	2146230	268,041	-			268,041	134,886
Engineering	47.041		-	32,572	University of Chicago	AWD103196 (SUB00000704)	32,572	-
Geosciences	47.050	2022523	59,546	-			59,546	-
Geosciences	47.050	2028065	26,366	-			26,366	-
Geosciences	47.050	2410821	69,396	-			69,396	43,272
Geosciences	47.050	2420470	37,128	-			37,128	-
Geosciences	47.050		-	210,894	Sitka Sound Science Center	2022RAND-01	210,894	-
Intergovernmental Mobility of Federal, State, and Local Employees	47.RD	IPA Agreement	59,987	-			59,987	-
Polar Programs	47.078		-	2,971	Sitka Sound Science Center	Sitka Sound Science Center	2,971	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Award Number	Direct	Pass-Through	Pass-Through Entity	Direct or Pass-through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
Social, Behavioral, and Economic Sciences	47.075	1921489	$ 40,986	$ -			$ 40,986	$ -
Social, Behavioral, and Economic Sciences	47.075	2401551	37,355	-			37,355	-
Total for National Science Foundation			1,694,916	721,298			2,416,214	290,364
SOCIAL SECURITY ADMINISTRATION								
Social Security Administration								
Social Security Research and Demonstration	96.007		-	31,561	University of Michigan	SUBK00009628	31,561	-
Social Security Research and Demonstration	96.007		-	170,968	University of Michigan	SUBK00021228	170,968	-
Social Security Research and Demonstration	96.007		-	(1,808)	National Bureau of Economic Research	51460.03:R-DRCNB21-05	(1,808)	-
Social Security Research and Demonstration	96.007		-	(236)	National Bureau of Economic Research	51460.04.01.23 - NB23-18-RAND	(236)	-
Social Security Research and Demonstration	96.007		-	(587)	National Bureau of Economic Research	51460.05.01.00 - NB23-21-RAND	(587)	-
Total for Social Security Administration			-	199,898			199,898	-
Total for Research and Development Cluster			293,294,341	21,933,077			315,227,418	13,790,521
Other Programs—Direct Awards								
US Department of Education (ED)								
COVID-19 Education Stabilization Fund	84.425N	P425N200825	(3,000)	-			(3,000)	-
Total for Other Programs—Direct Awards			(3,000)	-			(3,000)	-
Student Financial Assistance Cluster								
DEPARTMENT OF EDUCATION								
Federal Direct Student Loans	84.268		146,286	-			146,286	-
Total for Student Financial Assistance Cluster			146,286	-			146,286	-
Total Expenditure of Federal Awards			$ 293,437,627	$ 21,933,077			$ 315,370,704	$ 13,790,521

See notes to schedule of expenditures of federal awards

Note 1. Summary of Significant Accounting Policies and Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grants and cost reimbursement contracts transactions of The RAND Corporation and its subsidiaries (RAND) recorded on the cash basis of accounting and in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the Uniform Guidance). The Schedule summarizes the expenditures of RAND under programs of the federal government for the year ended September 30, 2024. Because the Schedule presents only a selected portion of the operations of RAND, it is not intended to and does not present the financial position, changes in net assets or cash flows of RAND in accordance with accounting principles generally accepted in the United States of America. The grants and contracts listed relate predominately to Research and Development Programs. Assistance Listing Numbers and pass through entity numbers or other identifiers are provided when available.

Expenditures for direct costs are recognized on a cash basis of accounting following the cost accounting principles contained in Title 48 U.S. Code of Federal Regulations Federal Acquisition Regulations System and the Uniform Guidance, as applicable. Under those cost principles, certain types of expenditures are not allowable or are limited as reimbursements. Moreover, expenditures include a portion of costs associated with general company activities which are allocated to awards under negotiated formulas commonly referred to as indirect cost rates. Negative amounts represent adjustments to amounts reported in the prior year, in the normal course of business.

Note 2. Indirect Cost Rate

RAND has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

RAND used preliminary indirect rates for reimbursement of indirect costs, negotiated with the Defense Contract Management Agency (DCMA). DCMA engages the Defense Contract Audit Agency (DCAA) to audit RAND’s indirect rates. As of the date of the issuance of this report, the final indirect cost rates for the year ended September 30, 2024 have been submitted to the DCMA. As of the date of the issuance of this report, the audit for September 30, 2024 has not been performed by the DCAA. In the opinion of management, the results of the audit will not have a material impact on the Schedule.

The RAND Corporation

Schedule of Findings and Questioned Costs
Year Ended September 30, 2024

Section I—Summary of Independent Auditor's Results

Financial Statements

Type of report the auditor issued whether the financial statements audited were prepared in accordance with U.S. GAAP:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified?	X	Yes		None Reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major federal programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are not material weakness(es)?		Yes	X	None Reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a)?		Yes	X	No

Identification of major federal programs:

Program Name	Assistance Listing Number
Research and Development Cluster	Various

Dollar threshold used to distinguish between Type A and Type B programs:	$ 3,000,000			
Auditee qualified as low-risk auditee?	X	Yes		No

(Continued)

Section II—Financial Statement Findings

Finding No. 2024-001: Communication Between Departments

Significant deficiency

Criteria: In accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), recipient's financial management systems shall provide for accurate, current and complete disclosure of the financial results of each project or program, whereas all issues and adjustments noted as part of the reconciliation process must be timely and properly reflected in the accounting records of the organization.

Condition and context: During our audit, we noted that the development department received new information regarding a significant promise to give. The new information included a reduction in the outstanding balance, and this was communicated to the accounting department as a current revenue adjustment rather than a write-off, which was not the appropriate accounting treatment since the promise to give was recorded in the prior fiscal year. While we understand that both departments review promises to give, including their collectability, we recommend implementing regular check-ins throughout the year and any new information is recorded appropriately. Additionally, a more detailed analysis of all promises to give—particularly those with outstanding balances and no payments—should be conducted. This will ensure that both departments thoroughly evaluate these balances and share all relevant information.

Cause: Misunderstanding of accounting terminology between Development and Accounting, along with its financial impact.

Effect: There was a large adjustment to reduce the receivables and record the uncollectible amount.

Recommendation: We recommend that management evaluates the current communication between the two departments and ensures there is timely communication for any new information from donors.

Views of responsible officials and planned corrective actions: Management agrees with the finding. See corrective action plan.

Section III—Federal Award Findings and Questioned Costs

No matters were reported.

The RAND Corporation

Summary Schedule of Prior Audit Findings and Status
Year Ended September 30, 2024

There are no findings from prior years which require an update in this report.

BRADLEY BEVERAGE
DIRECTOR, FINANCE & ACCOUNTING

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Management's Views and Corrective Action Plan

Finding No. 2024-001: Communication between departments

Name of Responsible Official: Bradley W. Beverage, Director, Finance & Accounting

Anticipated Completion Date: September 30, 2025

Corrective Action Plan: Strengthening Communication and Pledge Control:

To address the communication gap between the Development and Finance & Accounting departments and augment pledge management, a quarterly reconciliation schedule will be implemented. Executive-level reports on pledge balances will be generated, providing a detailed analysis of aging schedules, status updates, and any significant variances. In this process, both departments will jointly review pledged amounts against received contributions, with a designated liaison from each department responsible for monitoring and verifying pledge tracking. This will ensure that all outstanding balances are actively reviewed and accurately recorded. Management will conduct regular pledge aging analyses to identify potentially overdue or uncollectible amounts, minimizing the risk of significant financial adjustments, and will hold quarterly cross-departmental meetings to discuss pledge status and outstanding balances. This process will culminate in a year-end review to assess the probability of uncollectible outstanding pledges, and provide ample opportunity to make the necessary provisions, if needed.

RAND Management concurs with this finding related to the fiscal year ended September 30, 2024. Management recognizes the need for the above-mentioned strengthening of communication between departments to allow further enhancement of its internal controls surrounding pledge management. Bradley Beverage is responsible for this Corrective Action Plan. The corrective actions referenced above have been scheduled for FY25.

CONSOLIDATED FINANCIAL STATEMENTS

Fiscal Years Ended September 30, 2024 and 2023

RAND

RSM

RSM US LLP

Independent Auditor's Report

Board of Trustees
The RAND Corporation

Report on the Audit of the Financial Statements

Opinion
We have audited the consolidated financial statements of The RAND Corporation and its subsidiaries (RAND), which comprise the consolidated statement of financial position as of September 30, 2024, and the related consolidated statements of activities and of cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

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

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)*. 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 RAND 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 RAND Corporation, as of and for the year ended September 30, 2023, were audited by other auditors whose report dated February 8, 2024, expressed an unmodified opinion on those statements.

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 consolidated 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 RAND's ability to continue as a going concern for 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 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 and *Government Auditing Standards*, 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 and *Government Auditing Standards*, 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 RAND's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about RAND'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.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2025, on our consideration of RAND's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RAND's internal control over financial reporting and compliance.

RSM US LLP

Washington, D.C.
March 26, 2025

The RAND Corporation

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands)

	As of September 30, 2024	As of September 30, 2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 98,919	$ 76,192
Short-term investments	1,118	979
Receivables, net		
Billed and unbilled costs	79,910	75,138
Other receivables	12,838	21,323
Prepaid expenses and other current assets	18,099	12,862
Total current assets	210,884	186,494
Property and equipment		
Land	1,334	8,804
Buildings and improvements	123,325	123,577
Leasehold improvements	27,308	26,524
Equipment	90,672	82,731
Construction in progress	5,284	10,555
	247,923	252,191
Less: Accumulated depreciation and amortization	(156,734)	(146,338)
Net property and equipment	91,189	105,853
Long-term investments	330,315	288,674
Other assets	29,045	31,595
Right-of-use assets - operating leases	78,836	86,637
Total assets	$ 740,269	$ 699,253
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and other liabilities	$ 23,577	$ 20,657
Unexpended portion of grants and contracts received	8,294	6,474
Accrued compensation and vacation	30,728	27,962
Current portion of long-term debt	3,440	3,305
Short-term operating lease liability	14,657	12,304
Total current liabilities	80,696	70,702
Long-term operating lease liability	69,908	79,460
Accrued postretirement benefit liability	2,198	136
Other long-term liabilities	6,985	4,590
Long-term debt, less current portion and bond issue cost	84,913	88,332
Total liabilities	244,700	243,220
Net assets		
Without donor restrictions	250,427	245,481
With donor restrictions		
For time or purpose	169,558	137,902
In perpetuity	75,584	72,650
	245,142	210,552
Total net assets	495,569	456,033
Total liabilities and net assets	$ 740,269	$ 699,253

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

The RAND Corporation
CONSOLIDATED STATEMENTS OF ACTIVITIES

(in thousands)

	For the Year Ended September 30, 2024			For the Year Ended September 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT						
Contracts and grants	$ 403,454	$ 26,394	$ 429,848	$ 383,158	$ 13,131	$ 396,289
Net assets released from restrictions - contracts and grants	19,248	(19,248)	-	15,014	(15,014)	-
Total contracts and grants revenue and other support	422,702	7,146	429,848	398,172	(1,883)	396,289
Investment income, net	2,968	1,965	4,933	2,262	1,438	3,700
Net realized gains on investments	5,261	2,947	8,208	3,088	1,964	5,052
Net unrealized gains on investments	22,259	13,786	36,045	12,225	7,774	19,999
Contributions	3,808	28,905	32,713	32,371	42,191	74,562
Net assets released from restrictions - contributions	20,159	(20,159)	-	17,052	(17,052)	-
Other income	2,325	-	2,325	2,089	-	2,089
Total revenues, gains, and other support	479,482	34,590	514,072	467,259	34,432	501,691
EXPENSES						
Research	362,840	-	362,840	328,882	-	328,882
Management and general and fundraising	101,699	-	101,699	98,158	-	98,158
Total expenses	464,539	-	464,539	427,040	-	427,040
Change in net assets before other items	14,943	34,590	49,533	40,219	34,432	74,651
Other items:						
Change in fair value of derivative instruments (Note 9)	(2,395)	-	(2,395)	2,957	-	2,957
Other components of net periodic postretirement benefit costs	1,438	-	1,438	2,180	-	2,180
Adjustment to accrued postretirement benefit liability (other than net periodic postretirement benefit cost) (Note 8)	(2,749)	-	(2,749)	(4,778)	-	(4,778)
Foreign exchange gain on revaluation (Note 2)	254	-	254	2,155	-	2,155
Loss on disposition of property and equipment	(6,545)	-	(6,545)	-	-	-
Change in net assets	4,946	34,590	39,536	42,733	34,432	77,165
Net assets at beginning of year	245,481	210,552	456,033	202,748	176,120	378,868
Net assets at end of year	$ 250,427	$ 245,142	$ 495,569	$ 245,481	$ 210,552	$ 456,033

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

The RAND Corporation

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

		For the Year Ended September 30, 2024		For the Year Ended September 30, 2023
Cash flows from operating activities:				
Change in net assets	$	39,536	$	77,165
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation and amortization		11,709		10,950
Amortization of right-of-use assets		7,801		7,211
Net realized/unrealized gain		(44,253)		(25,051)
Contributions with donor restrictions for long-term purposes		(2,934)		(2,488)
Change in postretirement benefit liability		2,749		4,778
Change in fair value of derivative instruments		2,395		(2,957)
Foreign exchange loss/(gain)		238		(202)
Loss on disposition of property and equipment		6,545		-
Changes in assets and liabilities:				
(Increase) decrease in:				
Billed and unbilled costs and fees		(4,772)		11,342
Other receivables		6,799		(12,725)
Prepaid expenses and other current assets		(1,709)		4,509
Other assets		2,547		(15,200)
Increase (decrease) in:				
Accounts payable and other liabilities		2,920		(4,059)
Unexpended portion of grants and contracts received		1,820		(2,181)
Accrued compensation and vacation		2,766		1,506
Operating lease liability		(7,199)		(8,294)
Accrued postretirement benefit liability		(687)		(4,642)
Net cash provided by operating activities		26,271		39,662
Cash flows from investing activities:				
Purchases of investments		(86,974)		(24,341)
Sales of investments		93,943		29,843
Proceeds from sales of building and land		4,129		-
Purchases of property and equipment		(11,222)		(11,089)
Net cash used in investing activities		(124)		(5,587)
Cash flows from financing activities:				
Principal payments on long term debt		(3,305)		(3,165)
Contributions with donor restrictions for long-term purposes		5,028		1,896
Net cash provided by (used in) financing activities		1,723		(1,269)
Effect of currency exchange rate changes on cash		(785)		165
Net increase in cash, cash equivalents, and restricted cash		27,085		32,971
Cash, cash equivalents, and restricted cash at beginning of period		82,013		49,042
Cash, cash equivalents, and restricted cash at end of period	$	109,098	$	82,013
Supplemental cash flow information:				
Cash paid for interest	$	4,478	$	4,354

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

1. Corporate Organization:

The RAND Corporation (RAND) is a nonprofit, tax-exempt organization specializing in research and analysis, funded primarily through contracts, grants, and contributions. It also encompasses the Pardee RAND Graduate School, which offers master's degrees in national security policy and policy analysis, along with its Ph.D. program in policy analysis.

The consolidated financial statements of RAND include the accounts of three subsidiaries: RAND Europe, a Community Interest Company registered in the United Kingdom and the controlling party of RAND Europe AISBL (international nonprofit association registered in Belgium) and RAND Europe NL (nonprofit foundation registered in the Netherlands), RAND Australia, a Proprietary Company limited by shares, based in Australia, and Goshen Avenue Housing, LLC, (Goshen) for the exclusive purpose of holding title to the Goshen Avenue Housing property. All intercompany balances and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies:

Fiscal Year. RAND's fiscal year is from October 1st to September 30th.

Basis of Presentation. The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) in the United States of America applicable to not-for-profit organizations.

Net Assets. Under GAAP applicable to not-for-profit organizations, net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of RAND and changes therein have been classified and are reported as follows:

- Net Assets without donor restrictions – Net Assets without donor restrictions are defined as those assets not subject to stipulations imposed by donors. This category also includes donor-restricted contributions for which the restrictions are fulfilled within the same reporting period in which the contribution is received, as well as net assets designated by the Board of Trustees (the Board) or management for specific purposes.

- Net Assets with donor restrictions

    - Net Assets with donor restrictions for time or purpose – Net Assets with donor restrictions for Time or Purpose are those assets subject to donor-imposed stipulations that will be fulfilled either through actions undertaken by RAND in accordance with those stipulations and/or through the passage of time.

    - Net Assets with donor restrictions in perpetuity – Net Assets with donor restrictions in perpetuity are those assets subject to donor-imposed stipulations that require RAND to maintain them indefinitely. Generally, the donors of these assets allow RAND to utilize all or part of the income generated from the related investments for general or specific purposes.

Use of Estimates. The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the Consolidated Statements of Financial Position. Estimates also affect the reported amount of revenues, expenses, or other changes in net assets during the reporting period. Actual results could differ from these estimates.

Concentrations of Risk. Cash and cash equivalents are maintained with several financial institutions. Deposits held with banks may exceed the amount of FDIC insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and therefore bear minimal credit risk.

RAND derived 89% and 88% of its United States Contracts and grants revenues in fiscal years 2024 and 2023, respectively, from agencies of the United States Federal Government.

Cash and Cash Equivalents. RAND considers all highly liquid financial instruments purchased with an original maturity of three months or less, and whose purpose is not restricted, to be cash equivalents. RAND classifies cash equivalents held as part of the investment portfolio as investments. Such investments are not included in the line item Cash, cash equivalents, and restricted cash in the Consolidated Statements of Cash Flows.

As of September 30, 2024, and 2023, $98,919,000 and $76,192,000 is included in the end of period Cash and cash equivalents, respectively. In addition, there is a restricted cash balance in Short-term investments as collateral for a line of credit related to RAND Europe in the amount of $1,118,000 and $979,000 as well as an unrestricted cash balance in Long-term investments in the amount of $9,061,000 and $4,842,000 for the fiscal years ending 2024 and 2023.

Contributions Receivable. Contributions receivable, including unconditional promises to give, are recognized as revenue in the period received and are reported as increases in net assets with donor restrictions for time or purpose or with donor restrictions in perpetuity based upon donor-imposed stipulations. The receivables are recorded net of the discount for future cash flows and allowance for bad debt using the credit-adjusted rate of return appropriate for the expected term of the promise to give determined at the time the unconditional promise to give is initially recognized. Receivables expected to be collected in one year or less are included in Other receivables, and receivables expected to be collected after one year are included in Other assets on the Consolidated Statements of Financial Position. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Property and Equipment. Property and equipment are stated at cost. Depreciation is computed by the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years. Leasehold improvements are amortized by the straight-line method over the shorter of the non-cancelable lease term or the unique useful life of the asset. Construction in progress will be amortized over the estimated useful lives of the respective assets when they are ready for their intended use and placed in service. Certain computer systems and software are internally developed. Costs associated with the application development stage are capitalized and depreciated over the useful life of the system or software. All other costs are expensed as incurred.

Purchases of equipment equal to or greater than $2,500 with a useful life greater than 2 years are capitalized. Expenses to be capitalized include purchase price, freight and shipping, cost of installation, and any modifications or accessories necessary for usability. Impairment exists when the market value of an asset is less than the net book value. When an asset is deemed impaired, a write down is necessary to record the corrected net book value of the asset. Periodic reviews are performed to assess market value of the fixed assets to compare against the current net book value. As of September 30, 2024, and 2023, no impairment indicators were identified.

During fiscal year 2024, RAND sold one of two buildings. The second was sold this year and is classified as an asset held for sale in the line item Prepaid expenses and other current assets on the Consolidated Statements of Financial Position for the fiscal year ended September 30, 2024. The loss on impairment of assets for both buildings was $6,202,000 for the fiscal year ended September 30, 2024.

Leases. RAND 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. RAND determines these assets are leased because they have the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. RAND determines lease classification as operating or finance at the lease commencement date. Operating leases as a lessee are included in Operating Lease – Right of Use and Short-term or Long-term lease liability on the Consolidated Statements of Financial Position. RAND does not have any finance leases as of the years ended September 30, 2024, or 2023, respectively. Right-of-use 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. At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. For operating leases, the right-of-use asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. For the initial and subsequent measurement of all domestic lease liabilities, the discount rate is based on the US treasury par yield rate using a period comparable with the lease term. For the initial and subsequent measurement of international lease liabilities, the discount rate is based on the 10-year GILT rate for European leases and the 10-year Australian bond rate for the Australian lease. The lease term will include options to extend or to terminate the lease that RAND is reasonably certain to exercise. Operating lease expense is recognized on a straight-line basis over the lease term. Interest expense is recognized as a component of the lease payment for finance leases. RAND's lease agreements do not contain any material residual value guarantees or restrictive covenants. Rental income arising from operating sub-leases as a lessor are included as an offset to rent under Research expense in the Consolidated Statements of Activities.

Investments. Investments classified within the Long-Term Investment Fund include amounts held in net assets without donor restrictions, including board-designated funds, as well as certain endowed assets with donor-imposed restrictions related to time, purpose, or perpetuity. Income generated by the Long-Term Investment Fund is allocated to individual gift restrictions proportionally, based on the average balance of the fund.

Board-designated funds distributed for use was approximately 5% in fiscal years 2024 and 2023 based on the average of the trailing 12-quarter market values of the funds. In April 2018, the Board approved a special distribution of up to 2% per year for a period of 5 years commencing with the first distribution.

The first 2% distribution under this authorization was made in fiscal year 2022, based on the average of the trailing 12-quarter market values of the funds. No additional distributions have been made to date under this special authorization.

The total net distributions from board-designated funds were $8,358,000 and $7,941,000 for fiscal years 2024 and 2023, respectively.

Gains and losses on investments and Investment income are reported as increases or decreases in net assets without donor restriction, unless otherwise stipulated by the donor.

Investments carry various risks, such as interest rate, market, sovereign, currency, liquidity and credit risk. RAND anticipates that the value of its investments may, from time to time, fluctuate as a result of these risks.

Other Assets. RAND adopted ASU 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract,* in fiscal year 2018 and capitalized costs totaling $9,585,000 through October 1, 2019, when the asset was placed into service. Net book value and amortization expense for the years ended September 30, 2024, and 2023 are as follows (in thousands):

	September 30, 2024		September 30, 2023	
Net Book Value	$	3,708	$	4,883
Accumulated Amortization	$	5,877	$	4,702
Amortization Expense	$	1,175	$	1,175

Income Tax Status. RAND is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding California provisions and has qualified for the 50% charitable contributions limitation. RAND has been classified as an organization that is not a private foundation under Section 509(a)(1) and has been designated a "publicly supported" organization under Section 170(b)(1)(A)(vi) of the U.S. Internal Revenue Code. RAND is no longer subject to U.S. federal, state or local income tax examinations by tax authorities for three years from the filing date.

Management evaluated RAND's income tax positions and concluded that RAND had taken no uncertain income tax positions that require additional recognition or disclosure to the financial statements.

Revenue and Expense Recognition. RAND's revenue and expense recognition policies are as follows:

Revenue. In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, *Revenue from Contracts with Customers (ASC 606)*. Transfers of assets are first analyzed to determine if they represent a contribution or an exchange transaction. If the transfer of assets is not considered to be a contribution, then it is considered to be an exchange transaction and assessed using the five-step model in ASC 606, whereby revenue is recognized as performance obligations within the contract are satisfied.

Revenues from Contracts and grants:

- *Contracts received from governmental and non-governmental sources* - Generally are considered exchange transactions which are recognized over time using an input method as allowable expenditures under such agreements are incurred. For fixed price contracts and fee revenues associated with cost plus fixed fee contracts, revenue is recognized over time based on an input method that uses costs incurred relative to total estimated costs to satisfy the performance obligation. RAND has determined that the input methods used to recognize revenue provide a faithful depiction of the transfer of services to the customer and RAND's progress toward satisfaction of the performance obligation. RAND has determined that each research study specified in its contracts represents a performance obligation. This is supported by the fact that RAND's contracts explicitly state what work will be performed for the customer, the stages or timeline of work that will be performed by RAND, and a completion date of when the final report will be provided to the customer. Thus, RAND's contracts are defined as having a single performance obligation – the completed research study. RAND's significant payment terms generally consist of invoices due net 30 days. When it is probable that a contract will result in a loss and that loss can be reasonably estimated, the entirety of the loss is recognized in the Consolidated Statements of Activities. Substantially all United States government contracts awarded to RAND provide for the reimbursement of various indirect costs based on rates negotiated with the Defense Contract Management Agency (DCMA), RAND's federal cognizant agency for the negotiation and approval of indirect cost rates. While allowable expenditures under RAND's agreements are subject to audit by the DCMA through annual contract cost submissions, RAND has determined that no constraint on revenue is required as it is not probable that there will be a significant reversal of revenue due to cost disallowances once the audits are completed. $5,635,000 and $3,429,000 in advance payments on such transactions have been deferred and are recorded in Unexpended portion of grants and contracts received on the Consolidated Statements of Financial Position as of September 30, 2024 and 2023, respectively.

- *Grants received from departments or agencies of the government* - Generally are considered non-exchange transactions and are reported as increases in net assets without donor restrictions as the associated barriers are overcome, which generally is as allowable expenditures under such agreements are incurred. RAND has elected the simultaneous release policy, which allows a not-for-profit organization to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized. Substantially all United States government grants awarded to RAND provide for the reimbursement of various indirect costs based on rates negotiated with the DCMA. Conditional government non-exchange transactions that were not recorded in the consolidated financial statements totaled $64,505,000 and $69,956,000 as of September 30, 2024 and 2023, respectively. A majority of these conditional non-exchange transactions are related to the performance of specific research.
- *Grants received from private foundations and other non-governmental sources* - Generally are considered non-exchange transactions –

    - Conditional non-exchange transactions, which are characterized by both the presence of one or more donor-imposed barriers to RAND's entitlement to promised resources and the donor's right of return of funds or the right to be released of obligations to transfer assets in the future, are recorded when RAND overcomes such barriers. Barriers may include performance-related stipulations, limitations on RAND's discretion over the use of awarded funds, and/or other stipulations related to the purpose of the contribution. Conditional non-exchange transactions from private foundations and other non-governmental agencies that were not recorded in the Consolidated Statements of Activities were $11,678,000 and $24,798,000 as of September 30, 2024 and 2023, respectively. $2,659,000 and $3,045,000 in advance payments on such non-exchange transactions have been deferred and are recorded in Unexpended portion of grants and contracts received on the Consolidated Statements of Financial Position as of September 30, 2024 and 2023, respectively. A majority of these conditional non-exchange transactions are related to the performance of specific research.

- Unconditional non-exchange transactions are recognized as revenue in the period in which the agreement is received and as an increase in Contracts and grants revenue within the appropriate net asset category.

Contracts and grants revenue on the fiscal year 2024 and 2023 Consolidated Statements of Activities includes agreements that are accounted for as exchange transactions in accordance with ASC 606 and non-exchange transactions in accordance with the contribution accounting guidance in ASC 605, *Not-for-Profit Entities, Revenue Recognition.*

Exchange and non-exchange transactions included in Contracts and grants revenue on the Consolidated Statements of Activities for the years ended September 30, 2024 and 2023 are as follows (in thousands):

	September 30, 2024	September 30, 2023
Exchange transactions	$ 353,116	$ 320,681
Non-exchange transactions	76,732	75,608
Total contracts and grants revenue	$ 429,848	$ 396,289

Within the $76,732,000 and $75,608,000 of non-exchange revenues recognized in fiscal years 2024 and 2023, $50,338,000 and $62,477,000 was released from restriction as the associated time and/or purpose restriction was met in fiscal year 2024 and 2023, respectively.

The unbilled receivables for exchange and non-exchange transactions included in the Receivables, net - Billed and unbilled costs on the Consolidated Statements of Financial Position as of September 30, 2024, and 2023 are as follows (in thousands):

	September 30, 2024	September 30, 2023
Exchange transactions	$ 38,326	$ 39,055
Non-exchange transactions	12,251	11,408
Unbilled	$ 50,577	$ 50,463

The unbilled receivables for exchange and non-exchange transactions included in the Receivables, net - Billed and unbilled costs on the Consolidated Statements of Financial Position as of September 30, 2022, was $35,837,000 and $21,817,000, respectively.

Exchange transactions included in Unexpended portion of grants and contracts received on the Consolidated Statements of Financial Position are $8,294,000 for the year ended September 30, 2024, and will be recognized as Contracts and grant revenue during the next fiscal year as services are rendered. Substantially all of the Unexpended portion of grants and contracts received balance of $6,474,000 as of September 30, 2023, and $8,655,000 as of September 30, 2022, was recognized as Contracts and grants revenue during the years ended September 30, 2024, and September 30, 2023, respectively.

Revenues from Contributions:

- Contributions, including unconditional promises to give, are recognized as revenue in the period received and are reported as increases in the appropriate category of net assets. During the years ended September 30, 2024, and 2023, $20,159,000 and $17,052,000 of net assets with donor restrictions were released upon satisfaction of the associated time and / or purpose restriction on the Consolidated Statements of Activities.

Expenses. Expenses are reported as decreases in net assets without donor restrictions and are presented by functional classification, which reflects the organization's overall mission. The major functional categories include Research, Management and General, and Fundraising. Each functional classification encompasses all expenses related to the underlying operations.

Foreign Currency Translation. RAND's foreign subsidiaries primarily transact in the local currencies. RAND translates the foreign assets and liabilities at exchange rates in effect at the Consolidated Statements of Financial Position dates and translates the revenues and expenses using average rates during the year.

Gains and losses resulting from exchange rate changes on transactions denominated in a currency other than the local currency is included in Change in net assets before other items on the Consolidated Statements of Activities.

Within Foreign exchange gain on revaluation on the Consolidated Statements of Activities, RAND has recorded a foreign exchange gain on the revaluation of a long-term intercompany loan. Consistent with ASC 830, *Foreign Currency Matters*, RAND has recognized a foreign exchange gain of $29,000 and $340,000 for the years ended September 30, 2024, and 2023, respectively.

Accounting Pronouncements Adopted. For the fiscal year ended September 30, 2024, RAND adopted ASU 2016-13, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. This update fundamentally changed the way entities, including nonprofits, account for credit losses on financial assets. RAND primarily holds financial assets that are either carried at fair value or are subject to specific guidance that does not require application of the CECL model. RAND conducts an annual reserve for allowance for credit losses, closely following the Probability of Default Method measurement approach. Based on the current portfolio and risk management practices, the adoption of CECL standards did not have a material impact on RAND's consolidated financial statements.

Subsequent Events. During the period October 2024 through March 26, 2025, RAND had capital calls related to its Private Real Asset, Private Credit, and Private Equity Funds totaling $839,000, $0, and $1,374,000, respectively. RAND received distributions related to its Private Real Asset, Private Credit, and Private Equity totaling $2,619,000, $3,601,000, and $2,840,000, respectively.

Subsequent to year-end, the President of the United Status (POTUS) signed several executive orders (EOs) ordering the pause or termination of federal awards for programs that do not align with the new administration's policies. The Administration has tasked federal departments with evaluating all federal programs they administer to determine if the funding being provided falls under any of the EOs. During the year ended September 30, 2024, RAND recognized federal financial awards totaling $315,371,000 and at September 30, 2024, had outstanding federal receivables of $40,567,000. RAND has not experienced any issues with the collectability of the receivables as a result of the EOs. As of the date of this report, the full impact of POTUS' EOs on RAND's future financial position and results of operations is uncertain. Management is actively monitoring the situation and assessing the potential effects on the organization's consolidated financial statements.

RAND has evaluated subsequent events through March 26, 2025, the date on which the consolidated financial statements were available to be issued.

3. Liquidity and Availability:

RAND's financial assets available to meet its general expenditures within one year of the date of the

Consolidated Statements of Financial Position as of September 30, 2024, and 2023 are as follows (in thousands):

	September 30, 2024	September 30, 2023
Total assets at year end	$ 740,269	$ 699,253
Less: Financial assets not available for current use	(40,277)	(52,462)
Less: Property and equipment and other non-financial assets	(203,071)	(218,566)
Less: Long-term investments	(330,315)	(288,674)
Total financial assets available at year end for current use	166,606	139,551
Add: Board-designated investments	197,983	176,803
Total with Board-designated investments	$ 364,589	$ 316,354

The organization allocates amounts from its Board-designated funds for general expenditures as part of its annual budget approval and appropriation process. Amounts from its Board-designated funds could be made available if necessary to the extent that the underlying investments are not restricted to redemption.

RAND regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, RAND considers all expenditures related to operating expenses and scheduled principal payments on debt.

As part of RAND's liquidity management, RAND maintains an uncollateralized line of credit that expires in June 2027 in the principal amount of $75,000,000 (see Footnote 9).

4. Billed and Unbilled Costs:

The following table summarizes the components of billed and unbilled contract and grant costs as of September 30, 2024, and 2023 (in thousands):

	September 30, 2024	September 30, 2023
U.S. government agencies		
Billed	$ 17,884	$ 14,153
Unbilled	22,786	25,898
	40,670	40,051
State, local and private sponsors		
Billed	11,578	10,651
Unbilled	27,791	24,565
	39,369	35,216
Allowance for credit losses	(129)	(129)
	$ 79,910	$ 75,138

Within Other assets in the Consolidated Statements of Financial Position are $9,903,000 and $7,751,000 of non-exchange, long-term unbilled receivables for the years ended September 30, 2024, and 2023, respectively.

Unbilled amounts principally represent recoverable costs billed in the first quarter of fiscal years 2025 and 2024, respectively.

No significant contract terminations are anticipated, and past contract terminations have not resulted in significant unreimbursed costs.

5. Contributions Receivable:

Unconditional promises to give were $26,309,000 and $39,378,000 as of September 30, 2024 and 2023, respectively. The carrying amount of the receivables is deemed a reasonable estimate of their fair value.

Realization of the contributions receivable as of September 30, 2024, and 2023 is expected in the following periods (in thousands):

	September 30, 2024	September 30, 2023
In one year or less	$ 12,419	$ 21,205
Between 1 yr. and 5 yrs.	15,656	20,274
	28,075	41,479
Less: Discount	(1,558)	(1,893)
Allowance for Bad Debt	(208)	(208)
	$ 26,309	$ 39,378

Contributions receivable in the following net asset with donor restrictions categories as of September 30, 2024, and 2023 are primarily intended to be used for the purposes more fully described in Footnote 12 (in thousands):

	September 30, 2024	September 30, 2023
Restricted for time or purpose	$ 24,796	$ 37,612
Restricted in perpetuity	1,513	1,766
	$ 26,309	$ 39,378

RAND received payments on prior year contributions receivable in the amount of $16,671,000 and $7,611,000 for years ended September 30, 2024 and 2023, respectively.

Per estate bequests, retirement account designations, or insurance policy designations, RAND had intentions totaling $31,743,000 and $33,757,000 for the Pardee RAND Graduate School and research as of September 30, 2024, and 2023, respectively. Revenue associated with these intentions will be recorded as they qualify for recognition.

6. Long-Term Investments:

Long-term investments are recorded at fair value and all related transactions are recorded on the trade date. The investments consist of cash and cash equivalents, equity, fixed income, private credit, private equity, real assets, and hedge funds. Approximately 24% and 37% of Long-term investments consist of foreign investment holdings as of September 30, 2024 and 2023, respectively. RAND's net investment return for years ended September 30, 2024 and 2023 is a gain of $49,186,000 and $28,751,000, respectively.

As of September 30, 2024, RAND had commitments outstanding to purchase private equity, real asset, and credit funds of $22,037,000; $4,797,000 of these commitments are estimated to be due within one year.

On the Consolidated Statements of Activities, Investment income and realized/unrealized gains are shown net of related investment expenses and any carried interest amount. Long-term investments consist of the following for the years ended September 30, 2024, and 2023 (in thousands):

	September 30, 2024	September 30, 2023
Cash and Cash Equivalents	$ 9,062	$ 5,894
Equity Funds, at fair value	142,585	110,902
Fixed Income Funds, at fair value	92,093	86,857
Alternative Investments		
Private Credit Funds	19,538	19,155
Private Equity and Real Asset Funds	66,787	65,587
Multi-strategy and Long/Short Hedge Funds	250	279
	$ 330,315	$ 288,674

7. Fair Value Measurements:

The authoritative accounting guidance for fair value measurement provides the definition of fair value, establishes a fair value hierarchy based on the inputs used to measure fair value, and details the required disclosures about the use of fair value measurements.

Under the guidance, fair value is defined as the price that would be received to sell an asset (or paid to transfer a liability), or the "exit price." The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into levels:

Level 1 – Quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or other inputs that are observable or whose significant value drivers are observable.

Level 3 – Significant inputs are supported by little or no market activity and are thus unobservable.

Investments for which fair value is measured using the Net Asset Value (NAV) per share (or its equivalent) as a practical expedient are not categorized using the aforementioned levels. These investments are classified in a separate NAV category.

As required by the guidance, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. RAND's assessment of the significance of particular inputs to the fair value measurement requires judgment and may affect the selection of the hierarchy level and the valuation itself. RAND's own creditworthiness has been considered in the fair value measurements contained herein, as it relates to RAND's interest rate swaps.

Long-Term Investments – Quoted market prices are used to determine fair value for fixed income funds and equity funds when available. All such investments are considered Level 1. Certain fixed income funds are not actively traded, but have observable market prices, and are considered Level 2. Alternative investments include RAND's share of private credit, private equity and real asset funds, multi-strategy funds, and hedge funds, which are not actively traded. RAND's interests in alternative investment funds are generally reported at NAV as reported by fund managers, which are used as a practical expedient to estimate the fair value of RAND's interests therein. Fair value measurement for alternative investments considers all available information for each investment fund, including annual audited financial statements, known activity subsequent to the fund's audited financial statement date, and valuation information from the fund manager.

Derivative Financial Instruments – RAND uses two interest rate swaps to fix the interest rate on a portion of its Series 2021 variable rate bonds. Dealer quotes, based on cash flow models discounted at relevant market interest rates, are used to determine the fair value of the swaps, both of which are considered Level 2.

RAND's assets and liabilities measured and reported in the consolidated financial statements at fair value on a recurring basis as of September 30, 2024 were as follows (in thousands):

	Level 1	Level 2	Level 3	NAV	September 30, 2024
Assets					
Investments					
Equity Funds	$ 142,585	$ -	$ -	$ -	$ 142,585
Fixed Income Funds	78,297	13,796	-	-	92,093
Alternative Investments					
Private Credit Funds	-	-	-	19,538	19,538
Private Equity and Real Asset Funds	-	-	-	66,787	66,787
Multi-Strategy and Long/Short Hedge Funds	-	-	-	250	250
	220,882	13,796	-	86,575	321,253
Cash/Money Market Funds	-	-	-	-	9,062
Total Assets	$ 220,882	$ 13,796	$ -	$ 86,575	$ 330,315
Liabilities					
Derivatives	$ -	$ 6,985	$ -	$ -	$ 6,985

RAND's assets and liabilities measured and reported in the consolidated financial statements at fair value on a recurring basis as of September 30, 2023 were as follows (in thousands):

	Level 1	Level 2	Level 3	NAV	September 30, 2023
Assets					
Investments					
Equity Funds	$ 110,902	$ -	$ -	$ -	$ 110,902
Fixed Income Funds	34,491	-	-	52,366	86,857
Alternative Investments					
Private Credit Funds	-	-	-	19,155	19,155
Private Equity and Real Asset Funds	-	-	-	65,587	65,587
Multi-Strategy and Long/Short Hedge Funds	-	-	-	279	279
	145,393	-	-	137,387	282,780
Cash/Money Market Funds	-	-	-	-	5,894
Total Assets	$ 145,393	$ -	$ -	$ 137,387	$ 288,674
Liabilities					
Derivatives	$ -	$ 4,590	$ -	$ -	$ 4,590

RAND uses the NAV or its equivalent to determine the fair value of all the underlying investments that (i) do not have a readily determinable fair value and (ii) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company.

The following table lists these investments by major category as of September 30, 2024 (in thousands):

Category	Strategy	NAV	Unfunded Commitments	Nature and Risks of the Investment
Private Credit	Credit, non-performing loans, secured and unsecured	$ 19,538	$ 1,152	Investment timeframe is 5 years; time to draw down commitments is 0 - 1 years; interest in the funds can be sold only with the consent of the fund managers.
Private Equity and Private Real Asset	Private Equity: Venture capital, buyouts, special situations Private Real Asset: Real estate and natural resources	66,787	20,885	Private Equity: Investment timeframes are 0-8 years; time to draw down commitments is 0-4 years; interest in the funds can be sold only with the consent of the fund managers. Private Real Asset: Investment timeframes are 0-6 years; time to draw down commitments is 0-1 years; interest in the funds can be sold only with the consent of the fund manager.
Multi-Strategy	Various (fixed income arbitrage, structured credit, event-driven)	250	-	Redemptions dependent upon realization of side-pocket or other underlying investment sale.
Total		$ 86,575	$ 22,037	

The following table lists these investments by major category as of September 30, 2023 (in thousands):

Category	Strategy	NAV	Unfunded Commitments	Nature and Risks of the Investment
Fixed Income	Global fixed income, preferred and convertible securities	$ 52,366	$ -	Redemptions/withdrawals are permitted semi-monthly to quarterly.
Private Credit	Credit, non-performing loans, secured and unsecured	19,155	2,352	Investment timeframe is 7 years; time to draw down commitments is 0 - 2 years; interest in the funds can be sold only with the consent of the fund managers.
Private Equity and Private Real Asset	Private Equity: Venture capital, buyouts, special situations Private Real Asset: Real estate and natural resources	65,587	27,385	Private Equity: Investment timeframes are 0-9 years; time to draw down commitments is 0-4 years; interest in the funds can be sold only with the consent of the fund managers. Private Real Asset: Investment timeframes are 0-8 years; time to draw down commitments is 0-2 years; interest in the funds can be sold only with the consent of the fund manager.
Multi-Strategy	Various (fixed income arbitrage, structured credit, event-driven)	279	-	Redemptions dependent upon realization of side-pocket or other underlying investment sale.
Total		$ 137,387	$ 29,737	

8. Postretirement Benefits Other Than Pensions:

The RAND Retiree Group Medical Benefits Plan (Plan) and the RAND Corporation Retiree HRA Plan (HRA) provide health care benefits to certain employees who retire having met the required age and years of service with RAND. This coverage also applies to their dependents. Under the Plan, retirees and their dependents under age 65 may elect RAND-sponsored group coverage under the Preferred Provider Organization and various HMOs. Retirees and dependents share substantially in the cost of group coverage. Medicare becomes the primary coverage for retirees when they reach age 65. Post-65 retirees and their post-65 dependent spouse/partner are covered under the HRA and provided health care benefits through a private exchange. A health reimbursement arrangement account is annually funded from which they can be reimbursed for eligible health care expenses, including Medicare Part B and Part D premiums, health care premiums, and co-insurance associated with individual insurance contracts purchased through the private exchange. A legacy group of post-65 retirees and their dependent spouse/partner are eligible for a catastrophic prescription drug plan.

RAND retains the right, subject to existing agreements, to change or eliminate these benefits.

The following table sets forth the Plan's funded status as shown in the Consolidated Statements of Financial Position for the years ended September 30, 2024, and 2023, are as follows (in thousands):

	September 30, 2024	September 30, 2023
Change in benefit obligation		
Benefit obligation at beginning of year	$ 24,651	$ 19,566
Service cost	751	681
Increase due to passage of time	1,467	1,072
Plan participants' contributions	265	234
Actuarial gain	3,818	4,268
Benefits paid	(1,262)	(1,124)
Benefits paid from RAND assets	(55)	(46)
Benefit obligation at end of year	$ 29,635	$ 24,651

Change in plan assets				
Fair value of the Plan's total assets at beginning of year	$	24,515	$	22,709
Actual return on plan assets		3,919		2,697
Employer contributions		55		45
Plan participants' contributions		265		234
Benefits paid		(1,317)		(1,170)
Fair value of the Plan's total assets at end of year	$	27,437	$	24,515
Reconciliation of funded status				
Projected benefit obligation at end of year	$	(29,635)	$	(24,651)
Fair value of the Plan's assets at end of year		27,437		24,515
Unfunded status	$	(2,198)	$	(136)

The unfunded statuses are shown on the Consolidated Statements of Financial Position in Accrued postretirement benefit liability as of September 30, 2024 and 2023. As shown in the table above, the net benefit obligation is offset by the total plan assets during the year. Plan assets represent the fair value of investments stemming from contributions less any benefits paid to participants. The contributions received for the fiscal year ended September 30, 2024 were $320,000 and the contributions expected to be received during the fiscal year ended September 30, 2025 are $59,000.

Amounts expected to be recognized in Other components of net periodic benefit cost during fiscal year 2025, consist of (in thousands):

Net gain	$	238
Prior service credit		346
Total	$	584

The following table provides the relevant weighted-average assumptions used for the years ended September 30, 2024, and 2023:

	September 30, 2024	September 30, 2023
Discount rate used to determine benefit obligation	5.15%	6.10%
Discount rate used to determine net periodic postretirement benefit cost	6.10%	5.65%
Long-term rate of return on the Plan's investment assets	7.50%	7.50%

The long-term rate of return on plan assets is based on management's expectation of earnings on the assets that secure RAND's funded plans, taking into account the mix of invested assets, the arithmetic average of past returns, economic and stock market conditions and future expectations, and the long-term nature of the projected benefit obligation to which these investments relate. RAND believes that the long-term rate of return on plan assets used in determining plan expense is reasonable based on historical returns.

Assumed pre-65 healthcare cost trend rates are as follows for the years ended September 30, 2024, and 2023:

	September 30, 2024	September 30, 2023
Health care cost trend rate assumed for the next year	6.50%	6.75%
Rate to which the cost trend rate is assumed to decline	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2029	2029

Future increases for the post-65 Individual Marketplace HRA contributions are assumed to be 2.50% based on the normative level of CPI for October 1, 2023 U.S. Capital Market Assumptions.

The net periodic postretirement benefit cost for the years ended September 30, 2024 and 2023 included the following components (in thousands):

	September 30, 2024	September 30, 2023
Service cost-benefits attributed to service during the period	$ (751)	$ (681)
Increase in the accumulated postretirement benefit obligation due to the passage of time	(1,467)	(1,072)
Expected return on the Plan's investment assets	1,795	1,549
Net prior service credit amortization	517	517
Gain amortization	593	1,186
Net periodic postretirement benefit income	$ 687	$ 1,499

As required under ASC 715-20-50-1, the amounts in Other items recognized in net assets that have not yet been recognized as components of net period benefit cost for the years ended September 30, 2024 and 2023 included the following components (in thousands):

	September 30, 2024	September 30, 2023
Net prior service credit	$ 346	$ 863
Net gain	4,007	6,294
Cumulative amounts recognized in net assets without donor restrictions	$ 4,353	$ 7,157

Details to compute the adjustment of ($2,804,000) and ($4,823,000) for the accrued postretirement benefits liability (other than net periodic retirement benefit costs) in Other items on the Consolidated Statements of Activities for the years ended September 30, 2024 and 2023 included the following components (in thousands):

	September 30, 2024	September 30, 2023
Cumulative amounts recognized in net assets without donor restrictions at prior fiscal year end	$ 7,157	$ 11,980
Net prior service credit amortization during the year:		
Net gain amortized during the year	(593)	(1,186)
Net prior service credit	(517)	(517)
Net loss that occurred during the year	(1,694)	(3,120)
Cumulative amounts recognized in net assets without donor restrictions at current fiscal year end	$ 4,353	$ 7,157

For September 30, 2024, the difference between the $4,353,000 and $7,157,000 is an adjustment of ($2,804,000) which is primarily due to a gain related to a decrease in the discount rate from 6.10% to 5.15% and a net loss that occurred during the year. For September 30, 2023, the difference between the $7,157,000 and $11,980,000 is an adjustment of ($4,823,000) which is primarily due to an increase in the discount rate from 5.65% to 6.10% offset by net loss that occurred during the year.

The following estimated benefit payments, which reflect expected future service and Medicare Part D subsidies, as appropriate, are expected to be paid (in thousands):

	Gross Benefit Payments
2025	1,262
2026	1,349
2027	1,420
2028	1,486
2029	1,545
Next Five years	8,845

RAND contributes to the RAND Retiree Medical Benefit Trust (the Trust). The Trust was established to hold the investment assets for the Plan. The Plan and the Trust together are intended to constitute a Voluntary Employee Benefit Association.

The Plan's Long-term investments consist of money market funds, equity funds, fixed income funds, private credit funds, private equity and real asset funds. Approximately 24% and 36% of the Plan's Long-term investments consist of foreign holdings as of September 30, 2024 and 2023, respectively. Commitments of $292,000 are due within one year as of September 30, 2024.

Fair value measurement is required for the investment assets of the Plan. Note all identification, evaluation, and disclosures required for RAND's Long-term investments shown in Footnote 7 also apply to the Plan's investment assets.

The Plan's investment assets measured and reported at fair value on a recurring basis as of September 30, 2024 were as follows (in thousands):

	Level 1	Level 2	Level 3	NAV	September 30, 2024
Assets					
Investments					
Equity Funds	$ 13,683	$ -	$ -	$ -	$ 13,683
Fixed Income Funds	7,314	1,092	-	-	8,406
Alternative Investments					
Private Credit	-	-	-	1,544	1,544
Private Equity and Real Asset Funds	-	-	-	3,813	3,813
	20,997	1,092	-	5,357	27,446
Cash Equivalents	-	-	-	-	504
Total Assets	$ 20,997	$ 1,092	$ -	$ 5,357	$ 27,950

The Plan's investment assets measured and reported at fair value on a recurring basis as of September 30, 2023 were as follows (in thousands):

	Level 1	Level 2	Level 3	NAV	September 30, 2023
Assets					
Investments					
Equity Funds	$ 10,894	$ -	$ -	$ -	$ 10,894
Fixed Income Funds	3,891	-	-	4,089	7,980
Alternative Investments					
Private Credit	-	-	-	1,524	1,524
Private Equity and Real Asset Funds	-	-	-	3,619	3,619
	14,785	-	-	9,232	24,017
Cash Equivalents	-	-	-	-	488
Total Assets	$ 14,785	$ -	$ -	$ 9,232	$ 24,505

Certain investment assets of the Plan use the NAV or its equivalent for the fair value of all the underlying investments because they (i) do not have a readily determinable fair value and (ii) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company.

The following table lists these investments by major category as of September 30, 2024 (in thousands):

Category	Strategy	NAV	Unfunded Commitments	Nature and Risks of the Investment
Private Credit	Credit, non-performing loans, secured and unsecured	$ 1,544	$ 94	Investment timeframe is 2-5 years; time to draw down commitments is 0-1 years; interest in the funds can be sold only with the consent of the fund managers
Private Equity and Private Real Asset	Private Equity: Venture capital and buyouts Private Real Asset: Real estate and natural resources	3,813	1,330	Private Equity: Investment timeframes are 0-8 years; time to draw down commitments is 0-4 years interest in the funds can be sold only with the consent of the fund managers. Private Real Asset: Investment timeframes are 0-6 years; time to draw down commitments is 0-1 years; interest in the funds can be sold only with the consent of the fund manager.
		$ 5,357	$ 1,424	

The following table lists these investments by major category as of September 30, 2023 (in thousands):

Category	Strategy	NAV	Unfunded Commitments	Nature and Risks of the Investment
Fixed Income	Global fixed income, preferred and convertible securities	$ 4,089	$ -	Redemptions/withdrawals are permitted semi-monthly to quarterly.
Private Credit	Credit, non-performing loans, secured and unsecured	1,524	186	Investment timeframe is 7 years; time to draw down commitments is 2 years; interest in the funds can be sold only with the consent of the fund managers.
Private Equity and Private Real Asset	Private Equity: Venture capital and buyouts Private Real Asset: Real estate and natural resources	3,619	1,725	Private Equity: Investment timeframes are 0-9 years; time to draw down commitments is 0-4 years; interest in the funds can be sold only with the consent of the fund managers. Private Real Asset: Investment timeframes are 4-8 years; time to draw down commitments is 0-2 years; interest in the funds can be sold only with the consent of the fund manager.
		$ 9,232	$ 1,911	

9. Borrowing Arrangements:

The following table sets forth the long-term debt issued to finance the construction of RAND's Santa Monica headquarters facility as shown in the Consolidated Statements of Financial Position as of September 30, 2024, and 2023 (in thousands):

	September 30, 2024	September 30, 2023
Variable Rate Revenue Bonds, Series 2021; average interest rate of 4.71% and 4.17% for the fiscal years ending September 30, 2024 and September 30, 2023, respectively.	$ 88,705	$ 92,010
Bond issuance costs	(352)	(373)
	88,353	91,637
Less: current portion	(3,440)	(3,305)
	$ 84,913	$ 88,332

In 2021, RAND issued $98,225,000 of tax-exempt variable rate revenue bonds (Series 2021), via direct placement with a lender, to refinance the Series 2008A and Series 2008B tax-exempt variable rate revenue bonds. The interest rate was 79% of one-month LIBOR plus a fixed spread, subject to a minimum rate (floor). Effective October 1, 2022, underlying interest rate has been updated to one-month Secured Overnight Financing Rate (SOFR) while all other terms remained unchanged. Costs incurred in connection with the issuance of the Series 2021 bonds of approximately $506,000 were paid by RAND. Annual principal payments ranging from $3,050,000 to $6,760,000 are due from April 1, 2022, to April 1, 2042.

The bonds contain various covenants including compliance with the following financial measures: either a minimum debt service coverage ratio or a minimum liquidity level.

Interest Rate Swaps. Concurrent with the issuance of the Series 2007 variable rate bonds, which were refinanced with the issuance of the Series 2008A bonds, RAND entered into an interest rate swap agreement with a counterparty whereby RAND currently agrees to pay the counterparty a fixed rate of interest of 3.916% and the counterparty agrees to pay RAND 67% of one-month SOFR. The notional value of this swap is $23,950,000 and $24,850,000 as of September 30, 2024, and 2023, respectively. RAND entered into an additional interest rate swap agreement with another counterparty for $42,350,000 of its Series 2002B variable rate bonds, which were refinanced with the issuance of the Series 2008B bonds, whereby RAND currently agrees to pay the counterparty a fixed rate of interest of 3.955% and the counterparty agrees to pay RAND 67% of Daily Simple SOFR plus 0.11%. The notional value of this swap is $28,675,000 and $27,565,000 as of September 30, 2024, and 2023, respectively.

Both swaps remain in effect with the same terms and terminate on April 1, 2042, the maturity date of the Series 2021 bonds. Within the Change in fair value of derivative instruments included in Other items on the Consolidated Statements of Activities, is a loss of $2,395,000 and a gain of $2,957,000 for fiscal years 2024 and 2023, respectively. The liability related to the interest rate swaps of $6,985,000 and $4,590,000 for fiscal years 2024 and 2023, respectively, are shown on the Consolidated Statements of Financial Position in Other long-term liabilities.

Annual bond principal payments are required in the following fiscal years (in thousands):

2025	$	3,440
2026		3,590
2027		3,720
2028		3,875
2029		4,050
Thereafter		70,030
	$	88,705

Accrued interest payable relating to the bonds was $341,000 and $0 as of September 30, 2024 and 2023, respectively. RAND's total interest expense was $4,478,000 and $4,354,000 for the fiscal years ended September 30, 2024 and 2023, respectively.

Line of Credit. RAND had an uncollateralized line of credit that expired on June 27, 2024, with principal amount of $50,000,000. The line of credit contained covenants that require RAND to achieve the same financial measures as the Series 2021 revenue bonds. Under the terms of the credit agreement, interest was payable monthly at Daily Simple SOFR plus 0.90%. On June 27, 2024, RAND opened a new line of credit. The principal amount is $75,000,000 that matures on June 27, 2027. Under the terms of the credit agreement, interest is payable at Daily SOFR plus 0.85%. The line of credit contains covenants that require RAND to achieve the same financial measures as the Series 2021 revenue bonds.

10. Leases:

RAND is committed to minimum annual lease payments under several long-term non-cancellable operating leases for equipment, buildings, and office space expiring at various dates through 2035. RAND has entered into the following lease arrangements:

Short-Term Leases. RAND did not have any short-term leases (less than 12 months) during the fiscal year.

Operating Leases – Lessee. RAND has various equipment and real estate leases for office space that expire in various years through 2035. These leases generally contain renewal options for periods ranging from 1 year to 7 years and certain RAND office leases contain rent escalation clauses and fair-market renewal options. Office leases generally require RAND to pay for utilities, insurance, taxes, and maintenance. Equipment leases generally require RAND to pay for taxes, maintenance, and supplies. RAND is reasonably certain the renewal options will be exercised on the Arlington office lease and has included them in the terms. RAND is not reasonably certain the renewal options will be exercised on all other properties and has not included them in the terms.

Operating Leases – Lessor. RAND has properties in which it is the lessor. RAND owned two multi-family housing buildings that were leased to the students of the RAND Pardee Graduate School. Leases were generally one-year terms or less and were classified as operating leases. These leasing arrangements are not material to the consolidated financial statements. RAND has two subleases in the Pittsburgh and Santa Monica office spaces. The Pittsburgh sublease expires in 2026 and contains a renewal option of 5 years. The Santa Monica sublease is for one-year periods without explicit renewal options. The sublease agreements do not include any rent escalation clauses. The tenant is required to pay for utilities and taxes to RAND, included in their rent payments.

The components of lease expense for the years ended September 30, 2024 and 2023, are as follows (in thousands):

	September 30, 2024	September 30, 2023
Operating lease cost	$ 12,213	$ 10,900
Sublease income	(366)	(385)
Total	$ 11,847	$ 10,515

Other Information	September 30, 2024	September 30, 2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating - Operating cash flows	$ 10,463	$ 9,909
Right-of-use assets obtained in the exchange for lease liabilities		
Operating leases	$ -	$ 68,036
Weighted-average remaining lease term		
Operating leases	10.4 years	11.2 years
Weighted-average discount rate		
Operating leases	3.83%	3.83%

Future aggregate minimum lease payments as of September 30, 2024, are as follows (in thousands):

	September 30, 2024
2025	$ 11,292
2026	10,300
2027	8,489
2028	8,385
2029	8,764
Thereafter	55,996
Total	103,226
Less: amounts representing interest	(18,661)
PV of net minimum lease payments	$ 84,565

11. Contingencies:

Contract costs billed prior to September 30, 2021 have been audited by Defense Contract Audit Agency (DCAA) and accepted by the DCMA. To date, there have been no significant cost disallowances with these annual contract cost submissions. In management's opinion, contract costs billed subsequent to September

30, 2021 are allowable, and any potential cost disallowance would not materially affect RAND's consolidated financial position, changes in net assets, or cash flows.

RAND receives funding or reimbursement from agencies of the United States government for various activities that are subject to audit for compliance to federal government cost accounting standards. RAND has resolved all audit findings with DCMA and management believes there are no current concerns.

RAND is involved in legal cases that have arisen in the normal course of its operations. RAND believes that the outcome of these cases will not have a material adverse effect on the financial position of RAND.

12. Endowment:

RAND's endowment consists of approximately 52 individual investment funds established for a variety of purposes. It has both donor-restricted endowment funds and funds designated by the Board to function as endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, RAND classifies the original value of gifts donated to the permanent endowment as net assets with donor restrictions in perpetuity. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions for time or purpose until those amounts are appropriated for expenditure by RAND in a manner consistent with the standard of prudence as adopted in the State of California prescribed by Uniform Prudent Management of Institutional Funds Act ("UPMIFA").

The following table summarizes this Long-term investment fund by net asset class as of September 30, 2024 (in thousands):

	Without donor restriction	For Time or Purpose	In Perpetuity	Total
Donor restricted funds	$ -	$ 58,495	$ 73,837	$ 132,332
Board-designated funds	197,983	-	-	197,983
End of year	$ 197,983	$ 58,495	$ 73,837	$ 330,315

The following table summarizes this Long-term investment fund by net asset class as of September 30, 2023 (in thousands):

	Without donor restriction	For Time or Purpose	In Perpetuity	Total
Donor restricted funds	$ -	$ 41,441	$ 70,430	$ 111,871
Board-designated funds	176,803	-	-	176,803
End of year	$ 176,803	$ 41,441	$ 70,430	$ 288,674

The following table summarizes the activity in the endowment during fiscal year 2024 (in thousands):

	Without donor restriction	For Time or Purpose	In Perpetuity	Total
Beginning of the year	$ 176,803	$ 41,441	$ 70,430	$ 288,674
Investment return	29,897	19,688	-	49,585
Contributions	-	1,621	3,407	5,028
Appropriations	(8,358)	(4,255)	-	(12,613)
Other charges/reclassification	(359)	-	-	(359)
End of year	$ 197,983	$ 58,495	$ 73,837	$ 330,315

The following table summarizes the activity in the endowment during fiscal year 2023 (in thousands):

	Without donor restriction		For Time or Purpose		In Perpetuity		Total	
Beginning of the year	$	162,828	$	33,984	$	69,421	$	266,233
Investment return		17,594		11,175		-		28,769
Contributions		-		887		1,009		1,896
Appropriations		(7,941)		(4,605)		-		(12,546)
Other charges/reclassification		4,322		-		-		4,322
End of year	$	176,803	$	41,441	$	70,430	$	288,674

Investment and Spending Policies. RAND's investment and spending policies are in compliance with UPMIFA. In accordance with UPMIFA, RAND considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund, the mission of RAND, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, the investment policies of the organization, and RAND's other resources. Per RAND's investment policy, endowment assets are invested in a manner that is intended to increase the purchasing power on a long-term basis after inflation and payment for RAND operations. RAND relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). RAND targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Per RAND's spending policy, a percentage of its endowment fund's average fair value over the prior 12 quarters through June 30 is appropriated for distribution each year. In establishing this policy, RAND considered the long-term expected return on its endowment. Accordingly, over the long term, RAND expects the current spending policy to allow its endowment to grow at a rate equal to or in excess of inflation. From time to time, the fair value of endowment funds may fall below the original gift amount. Deficiencies of this nature are referred to as underwater endowments. If an endowment is underwater, RAND complies with the donor's agreement.

RAND did not have underwater endowments for the years ended September 30, 2024, and 2023, respectively.

13. Net Assets:

Net Assets Without Donor Restrictions Designated By The Board. Net assets without donor restrictions contains Board-designated net assets (net of cumulative net asset transfers) that are available for the following purposes as of September 30, 2024, and 2023 (in thousands):

	September 30, 2024		September 30, 2023	
Designated for investment - long term	$	170,879	$	170,476
Designated for investment - general		33,838		25,486
Designated for investment - special use				
RAND Education		3,412		3,718
Pardee RAND Graduate School		2,512		2,609
	$	210,641	$	202,289

Net Assets With Donor Restrictions. Net Assets With Donor Restrictions (including promises to give) are shown below by the purpose designated by the donor:

For time or purpose as of September 30, 2024, and 2023 (in thousands):

	September 30, 2024	September 30, 2023
Pardee RAND Graduate School	$ 36,509	$ 26,375
RAND General Support	25,765	30,172
National Security Research and Training	8,897	4,666
Global and Emerging Risks	8,648	1,176
Justice, Infrastructure, and Environment	7,862	6,686
Special Purpose Funds	5,658	2,296
Institute for Civil Justice	4,208	4,205
Countering Truth Decay	3,986	4,409
Asia Pacific Policy and Research	3,731	4,214
Health Care Policy and Research	3,546	3,482
Education Policy and Research	3,112	45
Middle East Public Policy	2,731	2,847
Paul O'Neill Alcoa Professorship in Policy Analysis	2,640	1,921
Others	1,900	2,854
Long-Term Global Policy Research	1,515	842
Hauser Foundation - Impact Awards	976	926
Center for Global Risk and Security	913	1,208
Haskins - Science Policy	849	674
Russia and Eurasia Policy and Research	632	570
	124,078	99,568
Non-exchange grant contributions	45,480	38,334
	$ 169,558	$ 137,902

The following net assets are invested in perpetuity and the income is available to support the restricted activities as of September 30, 2024, and 2023 (in thousands):

	September 30, 2024	September 30, 2023
Pardee RAND Graduate School	$ 38,127	$ 37,194
National Security Research and Training	5,191	5,190
Institute for Civil Justice	4,184	4,184
RAND General Support	3,812	3,812
Pardee Center for Longer Range Global Policy	3,670	3,670
Institute for US-China Relations	3,000	3,000
Institute for Policy Studies in Integrative Medicine	3,000	3,000
Tang Chair in China Policy Studies	3,000	3,000
Leonard Schaeffer Medal Awards	3,000	3,000
ALCOA O'Neill Chair	2,500	2,500
Ann Korologos Impact Award	2,000	-
Research Position Endowment	1,500	1,500
Michael Gould Professional Development Endowed Funds	1,035	1,035
Demographer Endowed Position	814	814
Others	751	751
	$ 75,584	$ 72,650

14. Functional Expense:

Expenses are categorized by functional classification to align with RAND's overall mission. The categories include Personnel (costs related to employees), Expense (operational expenditures), Subcontracts/Professional Services (services from external vendors), Depreciation and Amortization (allocation of asset costs), and Interest (costs associated with borrowing). Personnel expenses are allocated to functional categories based on the time and effort expended, while all other expenses are assigned directly to their respective functional categories.

For the year ended September 30, 2024, functional expenses consist of the following (in thousands):

	Research	Management and General	Fundraising	Year Ended September 30, 2024 Total
Personnel	$ 281,204	$ 49,745	$ 4,383	$ 335,332
Expenses	40,135	26,215	1,319	67,669
Subcontracts/Professional Services	40,210	5,141	-	45,351
Depreciation and Amortization	1,291	10,418	-	11,709
Interest	-	4,478	-	4,478
Total	$ 362,840	$ 95,997	$ 5,702	$ 464,539

For the year ended September 30, 2023, functional expenses consist of the following (in thousands):

	Research	Management and General	Fundraising	Year Ended September 30, 2023 Total
Personnel	$ 252,758	$ 46,049	$ 4,322	$ 303,129
Expenses	41,398	25,853	1,403	68,654
Subcontracts/Professional Services	32,524	7,429	-	39,953
Depreciation and Amortization	2,202	8,748	-	10,950
Interest	-	4,354	-	4,354
Total	$ 328,882	$ 92,433	$ 5,725	$ 427,040

15. Employee Retirement Plans:

RAND has four defined contribution employee plans: a Qualified Retirement Plan ("QRP"), a Supplemental Retirement Annuity Plan ("SRAP"), a Nonqualified Deferred Compensation Plan ("NDCP"), and a Nonqualified Supplementary Plan ("NSP"). Most full-time, regular employees are eligible to participate in the QRP and SRAP. Certain employees are eligible to participate in the NSP and NDCP. RAND has reserved the right to terminate the plans at any time, but in such an event, the benefits already purchased by the participant and contributions already made by RAND would not be affected. The QRP and NSP are entirely RAND-financed. RAND's contributions to the Plans for eligible employees range from 5% to 14% of salaries, depending on the level of wages and age of the participating employee. RAND's contributions to the QRP vest at the earlier of retirement or four years of service. Vesting begins after two years of service and increases weekly to 100% at the end of four years of service. The NSP and NDCP vest under various conditions specified in the plan. All contributions made by RAND are charged to operations. RAND's contributions were $19,400,000 and $18,365,000 for the fiscal years ended September 30, 2024 and 2023, respectively. The SRAP and NDCP only require employee contributions, and RAND does not contribute to these plans.