The RAND Corporation

Uniform Guidance
Supplementary Financial Report
September 30, 2025

Contents

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, 2025, 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 April 10, 2026.

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 and therefore, 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 2025-001 that we consider to be a material weakness.

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.
April 10, 2026

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, 2025. 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, 2025.

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, 2025, and have issued our report thereon dated April 10, 2026, 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.
April 10, 2026

The RAND Corporation

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025

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
Research and Development Cluster								
DEPARTMENT OF COMMERCE								
National Oceanic and Atmospheric Administration (NOAA)								
Climate and Atmospheric Research	11.431	NA210AR4310275	$ 67,233	$ -			$ 67,233	$ -
Climate and Atmospheric Research	11.431	NA210AR4310310	1,395,440	-			1,395,440	766,855
Cooperative Institute (Inter-Agency Funded Activities)	11.405		-	13,745	University of Michigan	SUBK00022593	13,745	-
Cooperative Institute (Inter-Agency Funded Activities)	11.405		-	6,799	University of Michigan	SUBK00023492	6,799	-
Sea Grant Support	11.417		-	227,831	Long Beach Community College District	NIHCR_85_05-2022/CN990271	227,831	-
Total for Department of Commerce			1,462,673	248,375			1,711,048	766,855
DEPARTMENT OF DEFENSE								
Department of the Air Force								
Air Force Defense Research Sciences Program	12.800	IPA Agreement	176,676	-			176,676	-
Department of the Army								
Military Medical Research and Development	12.420		-	4,199	University of Texas at Austin	UTAUS-SUB00000821	4,199	-
Military Medical Research and Development	12.420		-	59,462	University of Alaska-Fairbanks	UAF 25-0063	59,462	-
Joint Chiefs of Staff								
Intergovernmental Mobility of Federal, State and Local Employees	12.RD	IPA Agreement	333,932	-			333,932	-
Office of Secretary of Defense								
Intergovernmental Mobility of Federal, State and Local Employees	12.RD	IPA Agreement	1,876,066	-			1,876,066	-
Office of Secretary of Defense	12.RD	HQ0034-16-D-0001	(2,489)	-			(2,489)	-
Office of Secretary of Defense	12.RD	HQ003421D0006	(961,849)	-			(961,849)	-
Office of Secretary of Defense	12.RD	HQ003421F0060	1,087,156	-			1,087,156	-
Office of Secretary of Defense	12.RD	HQ003422F0012	2,777,161	-			2,777,161	-
Office of Secretary of Defense	12.RD	HQ003423F0005	11,389,899	-			11,389,899	-
Office of Secretary of Defense	12.RD	HQ003424F0003	46,158,375	-			46,158,375	550,000
Office of Secretary of Defense	12.RD	HQ003425F0008	16,415,545	-			16,415,545	1,157,500
Office of Secretary of Defense	12.RD	HQ003425FE149	2,389,233	-			2,389,233	-
Basic, Applied, and Advanced Research in Science and Engineering	12.630	HQ00342420010	3,611,028	-			3,611,028	1,037,884
US Air Force								
US Air Force	12.RD	FA701422F0005	(4,336)	-			(4,336)	-
US Air Force	12.RD	FA701423F0077	67,727	-			67,727	-
US Air Force	12.RD	FA701423F0095	363,365	-			363,365	-
US Air Force	12.RD	FA701423F0185	(1,464)	-			(1,464)	-
US Air Force	12.RD	FA701423F0282	(6,949)	-			(6,949)	-
US Air Force	12.RD	FA701423F0305	510,927	-			510,927	-
US Air Force	12.RD	FA701423F0315	531,834	-			531,834	-
US Air Force	12.RD	FA701423F0319	1,046,674	-			1,046,674	-
US Air Force	12.RD	FA701424F0004	85,694	-			85,694	-
US Air Force	12.RD	FA701424F0019	291,750	-			291,750	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2025

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 Air Force	12.RD	FA701424F0028	$ 490,521	$ -			$ 490,521	$ -
US Air Force	12.RD	FA701424F0040	577,788	-			577,788	-
US Air Force	12.RD	FA701424F0041	108,123	-			108,123	-
US Air Force	12.RD	FA701424F0068	479,198	-			479,198	-
US Air Force	12.RD	FA701424F0092	48,448	-			48,448	-
US Air Force	12.RD	FA701424F0101	154,242	-			154,242	-
US Air Force	12.RD	FA701424F0144	665,512	-			665,512	-
US Air Force	12.RD	FA701424F0155	101,940	-			101,940	-
US Air Force	12.RD	FA701424F0157	385,560	-			385,560	-
US Air Force	12.RD	FA701424F0163	344,985	-			344,985	-
US Air Force	12.RD	FA701424F0176	2,490,879	-			2,490,879	-
US Air Force	12.RD	FA701424F0229	792,592	-			792,592	-
US Air Force	12.RD	FA701424F0253	613,450	-			613,450	-
US Air Force	12.RD	FA701424F0284	176,020	-			176,020	-
US Air Force	12.RD	FA701424F0357	369,393	-			369,393	-
US Air Force	12.RD	FA701424F0361	547,209	-			547,209	-
US Air Force	12.RD	FA701424F0370	668,825	-			668,825	-
US Air Force	12.RD	FA701424F0398	1,285,200	-			1,285,200	-
US Air Force	12.RD	FA701424F0408	31,667,120	-			31,667,120	-
US Air Force	12.RD	FA701424F0410	628,400	-			628,400	-
US Air Force	12.RD	FA701424F0416	427,055	-			427,055	-
US Air Force	12.RD	FA701424F0430	1,499,355	-			1,499,355	-
US Air Force	12.RD	FA701424F0433	1,801,369	-			1,801,369	-
US Air Force	12.RD	FA701424F0445	1,713,600	-			1,713,600	-
US Air Force	12.RD	FA701424F0448	860,000	-			860,000	-
US Air Force	12.RD	FA701424F0463	201,369	-			201,369	-
US Air Force	12.RD	FA701425F0012	441,000	-			441,000	-
US Air Force	12.RD	FA701425F0042	295,492	-			295,492	-
US Air Force	12.RD	FA701425F0065	350,000	-			350,000	-
US Air Force	12.RD	FA701425F0160	282,748	-			282,748	-
US Air Force	12.RD	FA701425F0162	639,095	-			639,095	-
US Air Force	12.RD	FA701425F0163	61,473	-			61,473	-
US Air Force	12.RD	FA701425F0203	91,664	-			91,664	-
US Air Force	12.RD	FA701425F0211	42,761	-			42,761	-
US Air Force	12.RD	FA701425F0215	100,977	-			100,977	-
US Air Force	12.RD	FA701425F0231	30,268	-			30,268	-
US Air Force	12.RD	FA701425F0233	27,487	-			27,487	-
US Air Force	12.RD	FA701425F0234	40,143	-			40,143	-
US Air Force	12.RD	FA701425F0240	140,635	-			140,635	-
US Air Force	12.RD	FA701425F0241	4,316	-			4,316	-
US Air Force	12.RD	FA701425F0287	2,905	-			2,905	-
US Air Force	12.RD	FA701425F0317	8,550	-			8,550	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2025

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 Army								
US Army	12.RD	W91CRB-15-D-0022	$ 103	$ -			$ 103	$ -
US Army	12.RD	W91CRB22F0065	(1,157)	-			(1,157)	-
US Army	12.RD	W91CRB22F0182	82,657	-			82,657	-
US Army	12.RD	W91CRB22F0232	919,660	-			919,660	-
US Army	12.RD	W91CRB23F0026	304,618	-			304,618	-
US Army	12.RD	W91CRB23F0028	(28)	-			(28)	-
US Army	12.RD	W91CRB23F0093	2,777,862	-			2,777,862	-
US Army	12.RD	W91CRB23F0394	221,593	-			221,593	-
US Army	12.RD	W91CRB24F0012	16,398,500	-			16,398,500	-
US Army	12.RD	W91CRB24F0097	864,975	-			864,975	-
US Army	12.RD	W91CRB24F0291	4,735,857	-			4,735,857	-
US Army	12.RD	W91CRB24F0482	782,746	-			782,746	-
US Army	12.RD	W91CRB24F0514	491,503	-			491,503	-
US Army	12.RD	W91CRB25F0031	17,935,163	-			17,935,163	-
Total for Department of Defense			185,307,674	63,661			185,371,335	2,745,384
DEPARTMENT OF EDUCATION								
Department of Education								
Department of Education	84.RD	53279/53280	-	(12,832)	Abt Global LLC	53279/53280	(12,832)	-
Department of Education	84.RD	55426/55434	-	22,928	Abt Global LLC	55426/55434	22,928	-
Department of Education	84.RD	0551900005	-	19,907	American Institutes for Research	0551900005	19,907	-
Department of Education	84.RD	1432-RAND-01	-	15,764	MDRC	1432-RAND-01	15,764	-
Department of Education	84.RD	1611-RAND-2000-01	-	13,345	MDRC	1611-RAND-2000-01	13,345	-
Department of Education	84.RD	226000-05652-PSC	-	268,372	University of Oregon	226000-05652-PSC	268,372	-
Department of Education	84.RD	S-00018883	-	58,415	Wested	S-00018883	58,415	-
Institute of Education Sciences								
Continuous Improvement in Education Research	84.305H		-	134,260	University of North Carolina at Greensboro	20190051.3	134,260	-
Education Research and Development Center Program	84.305C		-	65,250	American Institutes for Research	0594700003	65,250	-
Education Research and Development Center Program	84.305C		-	97,133	MDRC	1628-RAND-2000-01	97,133	-
Education Research Grants program	84.305A	R305A200101	539,280	-			539,280	-
Education Research Grants program	84.305A	R305A210198	979,351	-			979,351	88,220
Education Research Grants program	84.305A	R305A220384	377,114	-			377,114	-
Education Research Grants program	84.305A	R305A230170	764,764	-			764,764	-
Education Research Grants program	84.305A	R305A240147	372,664	-			372,664	-
Education Research Grants program	84.305A		-	142,198	National Bureau of Economic Research	51790.00.00.00.7700	142,198	-
Education Research Grants program	84.305A		-	50,602	University of Colorado Denver	FY20.901.003	50,602	-
Education Research Grants program	84.305A		-	102,316	University of Maryland	DOED0002-01	102,316	-
Education Research Grants program	84.305A		-	48,719	University of Michigan	SUBK00020542	48,719	-
Education Research Grants program	84.305A		-	250,975	Greensboro	R305A230404	250,975	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2025

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
Education Research Grants program	84.305A		$ -	$ 51,978	University of Washington	UWSC15105	$ 51,978	$ -
Education Research Grants program	84.305A		-	21,939	University of Washington	UWSC15876	21,939	-
Education Research Grants program	84.305A		-	8,974	Virginia Commonwealth University	FP00013590_SA002	8,974	-
Research Grants Focused on Systematic Replication	84.305R		-	535,007	University of New Mexico	3RNF1	535,007	-
Research Grants Focused on Systematic Replication in Special Education	84.324R	R324R210009	831,940	-			831,940	224,961
Using Longitudinal Data To Support State Education Policymaking Grant Programs	84.305S	R305S230002	330,274	-			330,274	94,258
Using Longitudinal Data To Support State Education Policymaking Grant Programs	84.305S	R305S230005	363,991	-			363,991	42,347
Total for Department of Education			4,559,378	1,895,250			6,454,628	449,786
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Department of Health and Human Services								
Department of Health and Human Services	93.RD	HHSP233201500038I_75P00123F37026	1,220,092	-			1,220,092	206,748
Department of Health and Human Services	93.RD	HHSP233201500038I_75P00123F37025	1,790,877	-			1,790,877	16,927
Department of Health and Human Services	93.RD	HHSP233201500038I_75P00121F37025	5,426	-			5,426	426
Administration for Children and Families								
Child Care and Development Block Grant	93.575	90YE0343	96,151	-			96,151	-
Head Start	93.600	90YR0175	66,635	-			66,635	-
Administration for Community Living (ACL)								
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433		-	37,485	Research Foundation for State University of New York	96309-1179619-2	37,485	-
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048		-	10,113	Allegheny County Department Human Services	53724	10,113	-
Agency for Healthcare Research and Quality								
Agency for Healthcare Research and Quality	93.RD	25042_141342	-	87,835	Johns Hopkins University	25042_141342	87,835	-
Research on Healthcare Costs, Quality and Outcomes	93.226	R01HS027782	127,170	-			127,170	32,446
Research on Healthcare Costs, Quality and Outcomes	93.226	R01HS027994	355,246	-			355,246	2,274
Research on Healthcare Costs, Quality and Outcomes	93.226	R01HS029658	437,650	-			437,650	25,951
Research on Healthcare Costs, Quality and Outcomes	93.226	R18HS030218	450,595	-			450,595	-
Research on Healthcare Costs, Quality and Outcomes	93.226	U18HS029321	1,431,100	-			1,431,100	36,221
Research on Healthcare Costs, Quality and Outcomes	93.226	U19HS024067	(171)	-			(171)	-
Research on Healthcare Costs, Quality and Outcomes	93.226		-	37,335	Brigham and Womens Hospital	126064	37,335	-
Research on Healthcare Costs, Quality and Outcomes	93.226		-	(177)	Georgetown University	AWD7773629-GR206916	(177)	-
Research on Healthcare Costs, Quality and Outcomes	93.226		-	58,367	Pennsylvania State University	RANDHS028651	58,367	-
Research on Healthcare Costs, Quality and Outcomes	93.226		-	280,166	University of Minnesota	SUBA00000101-P009259453	280,166	-

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2025

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
Centers for Disease Control and Prevention								
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135		$ -	$ 49,666	University of Iowa	S05297-01	$ 49,666	$ -
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135		-	114,516	University of Pittsburgh	AWD00009604 (804278-3)/(201011-1)	114,516	-
Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects	93.185		-	93,488	University of Iowa	S01976-01	93,488	-
Occupational Safety and Health Program	93.262	R01OH012578	849,565	-			849,565	196,909
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		-	90,559	University of Minnesota	P008703961	90,559	-
Centers for Medicare and Medicaid Services								
Centers for Medicare and Medicaid Services	93.RD	75FCMC19D0093_75FCMC20F0001	1,525,448	-			1,525,448	-
Centers for Medicare and Medicaid Services	93.RD	75FCMC19D0093_75FCMC21F0001	1,021,725	-			1,021,725	76,730
Centers for Medicare and Medicaid Services	93.RD	HHSM-500-2014-00036I	(1,424)	-			(1,424)	-
Centers for Medicare and Medicaid Services	93.RD	55222	-	256,021	Abt Global LLC	55222	256,021	5,308
Centers for Medicare and Medicaid Services	93.RD	101897	-	1,400,362	MITRE Corporation	101897	1,400,362	-
Centers for Medicare and Medicaid Services	93.RD	1170227	-	1,413,499	MITRE Corporation	1170227	1,413,499	-
Medicare Access and CHIP Reauthorization Act (MACRA) Funding Opportunity: Measure Development for the Quality Payment Program	93.986		-	(309)	American Academy of Hospice and Palliat	AAHPM_09.24.18	(309)	-
Medicare Access and CHIP Reauthorization Act (MACRA) Funding Opportunity: Measure Development for the Quality Payment Program	93.986		-	(1,539)	Purchaser Business Group on Health	1V1CMS331641 - Fatigue	(1,539)	-
Food and Drug Administration								
Food and Drug Administration Research	93.103		-	(128)	Medical Device Innovation Consortium	MDIC_04.05.18	(128)	-
National Institute of Mental Health								
Intergovernmental Mobility of Federal, State, and Local Employees	93.RD	IPA Agreement	101,919	-			101,919	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2025

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
National Institutes of Health								
Aging Research	93.866	R56AG087032	$ 392,660	$ -			$ 392,660	$ 196,505
Aging Research	93.866	R01AG072652	1,536,519	-			1,536,519	1,127,440
Aging Research	93.866	R01AG073289	578,070	-			578,070	22,998
Aging Research	93.866	R01AG075508	1,023,598	-			1,023,598	241,832
Aging Research	93.866	R01AG079230	712,606	-			712,606	-
Aging Research	93.866	R01AG088646	4,234	-			4,234	-
Aging Research	93.866	R01AG088896	812,307	-			812,307	-
Aging Research	93.866	R21AG071925	36,046	-			36,046	-
Aging Research	93.866	R21AG083824	263,742	-			263,742	-
Aging Research	93.866	T32AG000244-26-30	38,695	-			38,695	-
Aging Research	93.866		-	267,924	Brigham and Womens Hospital	GR0129730-S01; R01AG083035_12973	267,924	-
Aging Research	93.866		-	261,594	Brown University	SUB00000700	261,594	-
Aging Research	93.866		-	142,258	Emory University	A880330	142,258	-
Aging Research	93.866		-	703,544	Johns Hopkins University	2005938034	703,544	
Aging Research	93.866		-	177,155	National Institute on Aging	AWD00010565 (201054-1)	177,155	
Aging Research	93.866		-	3,423	Rendever	RAND-Sub-01	3,423	-
Aging Research	93.866		-	202,493	Trustees of Columbia University in the City of New York	1(GG017681-01)	202,493	-
Aging Research	93.866		-	143,587	University of California	1558 G WA386	143,587	-
Aging Research	93.866		-	50,674	University of California, Los Angeles	1557 G YA528	50,674	-
Aging Research	93.866		-	21,018	University of California, Los Angeles	1557 G ZA526	21,018	-
Aging Research	93.866		-	297,394	University of Colorado Denver	FY24.1300.003	297,394	-
Aging Research	93.866		-	430,225	University of Michigan	SUBK00016875	430,225	-
Aging Research	93.866		-	1,428,167	University of Michigan	SUBK00020108	1,428,167	-
Aging Research	93.866		-	47,774	University of Oklahoma	RS20250066-06	47,774	-
Aging Research	93.866		-	121,993	University of Pennsylvania	P30AG064105 585030	121,993	-
Aging Research	93.866		-	33,233	University of Southern California	SCON-00003935	33,233	-
Aging Research	93.866		-	252,056	University of Southern California	SCON-00006882	252,056	-
Aging Research	93.866		-	168,840	University of Utah	10064334-01-RC	168,840	-
Aging Research	93.866		-	142,713	University of Utah	10073355-01-RC	142,713	-
Alcohol Research Programs	93.273	R01AA028812	447,190	-			447,190	22,719
Alcohol Research Programs	93.273	R01AA029081	257,608	-			257,608	-
Alcohol Research Programs	93.273	R01AA030890	362,504	-			362,504	85,444
Alcohol Research Programs	93.273	R01AA031037	915,195	-			915,195	215,820
Alcohol Research Programs	93.273		-	126,615	Stanford University	62876858-227772	126,615	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2025

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
Alcohol Research Programs	93.273		$ -	$ 280,716	Stanford University	63058717-242881	$ 280,716	$ -
Alcohol Research Programs	93.273		-	21,053	University of Southern California	132368375	21,053	-
Alcohol Research Programs	93.273		-	(996)	University of Southern California	135825463	(996)	-
Alcohol Research Programs	93.273		-	60,360	University of Southern California	SCON-00005847	60,360	-
Alcohol Research Programs	93.273		-	20,430	Harvard University	150552.5117594.0004	20,430	-
Alcohol Research Programs	93.273		-	137,072	Harvard University	151860.5123013.0002	137,072	-
Alcohol Research Programs	93.273		-	59,176	Arizona State University	ASUB00001798	59,176	-
Allergy and Infectious Diseases Research	93.855	R01AI160240	708,421	-			708,421	-
Allergy and Infectious Diseases Research	93.855	R01AI169293	572,606	-			572,606	-
Allergy and Infectious Diseases Research	93.855		-	35,934	University of California, Los Angeles	1440 G LA811	35,934	-
Allergy and Infectious Diseases Research	93.855		-	204,841	University of California, Los Angeles	15680000392415, (15590000103583 no	204,841	-
Cancer Cause and Prevention Research	93.393	R01CA236608	234,108	-			234,108	-
Cancer Cause and Prevention Research	93.393	R01CA261639	823,300	-			823,300	-
Cancer Cause and Prevention Research	93.393	R01CA282284	560,639	-			560,639	296,628
Cancer Cause and Prevention Research	93.393	R21CA263723	143,256	-			143,256	-
Cancer Cause and Prevention Research	93.393	R37CA249707	372,543	-			372,543	-
Cancer Cause and Prevention Research	93.393		-	58,711	Memorial Sloan-Kettering Cancer Center	U01CA253913	58,711	-
Cancer Cause and Prevention Research	93.393		-	(455)	Memorial Sloan-Kettering Cancer Center	U01CA253913_C21848081	(455)	-
Cancer Cause and Prevention Research	93.393		-	(228)	Memorial Sloan-Kettering Cancer Center	U01CA253913_C21848216	(228)	-
Cancer Cause and Prevention Research	93.393		-	(228)	Memorial Sloan-Kettering Cancer Center	U01CA253913_C21854945	(228)	-
Cancer Cause and Prevention Research	93.393		-	(911)	Memorial Sloan-Kettering Cancer Center	U01CA253913_C21855017_2007027	(911)	-
Cancer Detection and Diagnosis Research	93.394	R01CA218188	474,088	-			474,088	64,294
Cardiovascular Diseases Research	93.837	R01HL148420	134,086	-			134,086	-
Cardiovascular Diseases Research	93.837	R01HL155187	555,998	-			555,998	149,618
Cardiovascular Diseases Research	93.837		-	45,432	University Massachusetts Medical School	SUB00000514	45,432	-
Cardiovascular Diseases Research	93.837		-	285,890	Arizona State University	ASUB00001758	285,890	-
Cardiovascular Diseases Research	93.837		-	57,739	University of Southern California	119954490	57,739	-
Child Health and Human Development Extramural Research	93.865	R01HD090231	45,755	-			45,755	-
Child Health and Human Development Extramural Research	93.865	R01HD102412	736,544	-			736,544	-
Child Health and Human Development Extramural Research	93.865	R01HD104555	445,418	-			445,418	270,469
Child Health and Human Development Extramural Research	93.865	R01HD109190	687,389	-			687,389	59,848
Child Health and Human Development Extramural Research	93.865		-	13,633	Brown University	00002164	13,633	-
Child Health and Human Development Extramural Research	93.865		-	(7,524)	University of California, Irvine	2018-3600	(7,524)	-
Child Health and Human Development Extramural Research	93.865		-	142,061	University of Southern California	SCON-00006850	142,061	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2025

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
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK126049	$ 268,939	$ -			$ 268,939	$ 268,939
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		-	117,996	Kaiser Permanente	RNG211922-RAND-01	117,996	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		-	35,920	University of Texas at Austin	UTAUS-SUB00001617	35,920	-
Drug Use and Addiction Research Programs	93.279	P50DA046351 6-10	2,048,062	-			2,048,062	599,253
Drug Use and Addiction Research Programs	93.279	R01DA045800	16,242	-			16,242	-
Drug Use and Addiction Research Programs	93.279	R01DA046226	470,542	-			470,542	133,820
Drug Use and Addiction Research Programs	93.279	R01DA048910	610,039	-			610,039	-
Drug Use and Addiction Research Programs	93.279	R01DA051545	696,678	-			696,678	173,618
Drug Use and Addiction Research Programs	93.279	R01DA056588	779,566	-			779,566	127,544
Drug Use and Addiction Research Programs	93.279	R21DA052655	86,904	-			86,904	-
Drug Use and Addiction Research Programs	93.279	R21DA060486	46,511	-			46,511	-
Drug Use and Addiction Research Programs	93.279	R21DA060711	80,209	-			80,209	29,070
Drug Use and Addiction Research Programs	93.279	R21DA062182	124,362	-			124,362	15,355
Drug Use and Addiction Research Programs	93.279	R61DA061327	4,229	-			4,229	-
Drug Use and Addiction Research Programs	93.279	UH3DA050235	306,377	-			306,377	13,777
Drug Use and Addiction Research Programs	93.279		-	80,386	Harvard University	152790.5128522.0008	80,386	-
Drug Use and Addiction Research Programs	93.279		-	370	University of California, Los Angeles	2000 G XA101	370	-
Drug Use and Addiction Research Programs	93.279		-	25,257	University of California, Los Angeles	2000 G XE690_20000000083324	25,257	-
Drug Use and Addiction Research Programs	93.279		-	14,370	University of California, Los Angeles	20000000319603	14,370	-
Drug Use and Addiction Research Programs	93.279		-	23,983	University of California, Los Angeles	20000000328431	23,983	-
Drug Use and Addiction Research Programs	93.279		-	54,753	Johns Hopkins University	2006622966	54,753	-
Drug Use and Addiction Research Programs	93.279		-	335,065	Stanford University	63628283-333515	335,065	-
Drug Use and Addiction Research Programs	93.279		-	158,759	Emory University	A1048475	158,759	-
Drug Use and Addiction Research Programs	93.279		-	35,648	Emory University	A1049270	35,648	-
Drug Use and Addiction Research Programs	93.279		-	140,122	University of Chicago	AWD104433 (SUB00001017)	140,122	-
Drug Use and Addiction Research Programs	93.279		-	24,244	Yale University	CON-80005000 (GR123416)	24,244	-
Drug Use and Addiction Research Programs	93.279		-	8,564	Yale University	CON-80005819 (GR128277)	8,564	-
Drug Use and Addiction Research Programs	93.279		-	318,414	San Diego State University	D10544-07 SA1085 A3 5B404B 7804; D10544-04 SA1085 A1 5B404A 7804; D10544-04 SA1085 A1 5B404A 7804	318,414	-
Drug Use and Addiction Research Programs	93.279		-	126,402	University of Texas Southwestern Medical Center	GMO: 240109 PO: 0000003252A	126,402	-
Drug Use and Addiction Research Programs	93.279		-	25,837	University of Texas Southwestern Medical Center	GMO250307 PO0000003735	25,837	-
Drug Use and Addiction Research Programs	93.279		-	152,855	University of Texas Southwestern Medical Center	GMO250411 PO0000003776	152,855	-
Drug Use and Addiction Research Programs	93.279		-	87,243	Multnomah County Health Department	HD-SVCSGEN-12515-2021	87,243	-
Drug Use and Addiction Research Programs	93.279		-	37,695	University of California, San Diego	KR 704400	37,695	-
Drug Use and Addiction Research Programs	93.279		-	7,611	The Ohio State University	SPC-1000013149-GR135382	7,611	-
Drug Use and Addiction Research Programs	93.279		-	32,546	University of Michigan	SUBK00020718	32,546	-
Drug Use and Addiction Research Programs	93.279		-	(11,390)	Vanderbilt University Medical Center	VUMC115190	(11,390)	-
Environmental Health	93.113		-	206,625	Johns Hopkins University	2005727621	206,625	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2025

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
Human Genome Research	93.172		$ -	$ 74,300	New York University	22-A0-00-1008769	$ 74,300	$ -
Lung Diseases Research	93.838		-	98,976	Kaiser Permanente	RNG211577-RAND	98,976	-
Mental Health Research Grants	93.242	K01MH129165	186,477	-			186,477	12,523
Mental Health Research Grants	93.242	R01MH117760	616,909	-			616,909	299,311
Mental Health Research Grants	93.242	R01MH121256	373,767	-			373,767	86,045
Mental Health Research Grants	93.242	R01MH123585	1,297,519	-			1,297,519	735,713
Mental Health Research Grants	93.242	R01MH126691	929,568	-			929,568	201,767
Mental Health Research Grants	93.242	R01MH135034	518,707	-			518,707	44,459
Mental Health Research Grants	93.242	R01MH135595	423,959	-			423,959	35,838
Mental Health Research Grants	93.242	R01MH135751	671,769	-			671,769	161,865
Mental Health Research Grants	93.242	R01MH136658	498,011	-			498,011	217,033
Mental Health Research Grants	93.242	R01MH137074	588,822	-			588,822	292,427
Mental Health Research Grants	93.242	R01MH138401	378,252	-			378,252	-
Mental Health Research Grants	93.242	R01MH138475	717,621	-			717,621	48,275
Mental Health Research Grants	93.242	R03MH132119	52,633	-			52,633	-
Mental Health Research Grants	93.242	R21MH128522	101,941	-			101,941	2,699
Mental Health Research Grants	93.242	R34MH119889	125,374	-			125,374	30,759
Mental Health Research Grants	93.242	R34MH126478	72,475	-			72,475	-
Mental Health Research Grants	93.242	UF1MH121954	1,205,721	-			1,205,721	53,383
Mental Health Research Grants	93.242		-	31,921	Brown University	00002452	31,921	-
Mental Health Research Grants	93.242		-	43,384	Center for Innovative Public Health Research	CiPHR_8.2.24	43,384	-
Mental Health Research Grants	93.242		-	211,359	George Mason University	E2062693	211,359	-
Mental Health Research Grants	93.242		-	140,342	Harvard Medical School	152574.5127843.0002	140,342	-
Mental Health Research Grants	93.242		-	661,306	Harvard Pilgrim Health Care, Incorporated	AH001028	661,306	-
Mental Health Research Grants	93.242		-	47,639	Harvard University	150824.5120900.0007	47,639	-
Mental Health Research Grants	93.242		-	223,787	Harvard University	151731.5123183.0002	223,787	-
Mental Health Research Grants	93.242		-	100,000	Michigan State University	RC114239-RAND	100,000	-
Mental Health Research Grants	93.242		-	25,840	San Diego State University	D11912-03 SA1166 A0 5B771A 7803	25,840	-
Mental Health Research Grants	93.242		-	271,405	San Diego State University Research Foundation	D10693-02 SA1076 5B371A 7803	271,405	-
Mental Health Research Grants	93.242		-	26,943	San Diego State University Research Foundation	D10960-04 SA1095 A0 5B455A 7803	26,943	-
Mental Health Research Grants	93.242		-	207,101	San Diego State University Research Foundation	D8613-04 SA00 5A368A 7803	207,101	-
Mental Health Research Grants	93.242		-	209,732	University of Botswana	P1387-UB2RAN-24	209,732	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2025

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
Mental Health Research Grants	93.242		$ -	$ 22,359	University of California, Los Angeles	1550 G ZA902	$ 22,359	$ -
Mental Health Research Grants	93.242		-	20,984	University of California, Los Angeles	3814 G LA107	20,984	-
Mental Health Research Grants	93.242		-	6,231	University of Massachusetts Amherst	017685-9173	6,231	-
Mental Health Research Grants	93.242		-	82,039	University of Minnesota	SUBA00000323-P010774903	82,039	-
Mental Health Research Grants	93.242		-	25,493	University of Washington	UWSC14866	25,493	-
Minority Health and Health Disparities Research	93.307	R01MD012638	426,493	-			426,493	28,923
Minority Health and Health Disparities Research	93.307	R01MD014722	242,230	-			242,230	75,845
Minority Health and Health Disparities Research	93.307	R01MD015713	328,295	-			328,295	-
Minority Health and Health Disparities Research	93.307	R01MD016892	980,696	-			980,696	173,403
Minority Health and Health Disparities Research	93.307	R01MD017060	1,104,654	-			1,104,654	378,361
Minority Health and Health Disparities Research	93.307	R01MD017062	637,720	-			637,720	-
Minority Health and Health Disparities Research	93.307	R01MD017232	569,739	-			569,739	400,426
Minority Health and Health Disparities Research	93.307	R01MD019278	473,251	-			473,251	55,120
Minority Health and Health Disparities Research	93.307	R01MD019798	529,021	-			529,021	-
Minority Health and Health Disparities Research	93.307		-	56,878	University of California, Los Angeles	19180000161819	56,878	-
Minority Health and Health Disparities Research	93.307		-	56,037	Fred Hutchinson Cancer Center	0001173918	56,037	-
Minority Health and Health Disparities Research	93.307		-	252	Fred Hutchinson Cancer Center	0001231006	252	-
National Center for Advancing Translational Sciences	93.350		-	(1)	Cedars-Sinai Medical Center	U01TR002756_0001707610	(1)	-
National Center for Advancing Translational Sciences	93.350		-	421,703	Cedars-Sinai Medical Center	U01TR002756_0002256032	421,703	-
National Center for Advancing Translational Sciences	93.350		-	(415)	Tufts University	102188-00001-THOMAS_CONCANNON	(415)	-
National Center for Advancing Translational Sciences	93.350		-	198,325	Tufts University	PO EP0230736	198,325	-
Nursing Research	93.361	R01NR018837	789,322	-			789,322	62,733
Nursing Research	93.361	R01NR018837 (06-10)	9,712	-			9,712	-
Nursing Research	93.361	R01NR020788	501,094	-			501,094	71,179
Nursing Research	93.361		-	157,040	Trustees of Columbia University in the City of New York	1(GG017736-01)	157,040	
Nursing Research	93.361		-	40,894	Trustees of Columbia University in the City of New York	1(GG019044-01)	40,894	-
Nursing Research	93.361		-	149,249	Trustees of Columbia University in the City of New York	1(GG019087-01)	149,249	-
Oral Diseases and Disorders Research	93.121	R01DE028530	199,315	-			199,315	27,234

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2025

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
Research and Training in Complementary and Integrative Health	93.213	R01AT010402	$ 109,526	$ -			$ 109,526	$ 60,086
Research and Training in Complementary and Integrative Health	93.213	U24AT012549	1,215,404	-			1,215,404	301,256
Research and Training in Complementary and Integrative Health	93.213		-	30,234	Kaiser Foundation Research Institute	RNG210883-RAND	30,234	-
Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders	93.840		-	126,320	University of California, Los Angeles	1557 G YA601	126,320	-
Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders	93.840		-	(218)	University of California, Los Angeles	15570000094341 (OLD: 1557 G WA048)	(218)	-
Office of the Secretary of Health and Human Services								
Policy Research and Evaluation Grants	93.239		-	18,610	University of Wisconsin	CON-00004526	18,610	-
Total for Department of Health and Human Services			45,767,786	16,187,969			61,955,755	8,571,594
DEPARTMENT OF HOMELAND SECURITY								
US Department of Homeland Security								
US Department of Homeland Security	97.RD	70B06C22F00001070	88,441	-			88,441	-
US Department of Homeland Security	97.RD	70CMSD24FR0000184	468,466	-			468,466	-
US Department of Homeland Security	97.RD	70CMSW23FR0000096	322,561	-			322,561	-
US Department of Homeland Security	97.RD	70CMSW24FR0000062	118,017	-			118,017	-
US Department of Homeland Security	97.RD	70FA2022F00000068	1,978,788	-			1,978,788	483,493
US Department of Homeland Security	97.RD	70FA2024F00000073	1,178,819	-			1,178,819	-
US Department of Homeland Security	97.RD	70FA2024F00000078	2,559,979	-			2,559,979	379,033
US Department of Homeland Security	97.RD	70FA4022F00000216	1,176,579	-			1,176,579	-
US Department of Homeland Security	97.RD	70FA4023F00000454	13,473	-			13,473	-
US Department of Homeland Security	97.RD	70FA4023F00000550	16,160	-			16,160	-
US Department of Homeland Security	97.RD	70FA4024F00000468	1,420,062	-			1,420,062	-
US Department of Homeland Security	97.RD	70FA6022F00000077	186,341	-			186,341	6,823
US Department of Homeland Security	97.RD	70FA6023F00000018	47,151	-			47,151	-
US Department of Homeland Security	97.RD	70FA6023F00000077	2,180,989	-			2,180,989	-
US Department of Homeland Security	97.RD	70FA6024F00000052	247,026	-			247,026	-
US Department of Homeland Security	97.RD	70FB8023F00000047	19,555,246	-			19,555,246	-
US Department of Homeland Security	97.RD	70FB8024F00000074	201,566	-			201,566	-
US Department of Homeland Security	97.RD	70FBR222F00000165	124,665	-			124,665	-
US Department of Homeland Security	97.RD	70FBR224F00000003	309,084	-			309,084	-
US Department of Homeland Security	97.RD	70RCSJ22FR0000005	194,039	-			194,039	-
US Department of Homeland Security	97.RD	70RCSJ23FR0000019	222,835	-			222,835	150,000
US Department of Homeland Security	97.RD	70RCSJ23FR0000027	119,644	-			119,644	-
US Department of Homeland Security	97.RD	70RCSJ24FR0000026	461,416	-			461,416	-
US Department of Homeland Security	97.RD	70RCSJ24FR0000043	818,265	-			818,265	-
US Department of Homeland Security	97.RD	70RCSJ24FR0000083	338,768	-			338,768	-
US Department of Homeland Security	97.RD	70RCSJ24FR0000093	1,656,308	-			1,656,308	-
US Department of Homeland Security	97.RD	70RDA124FR0000004	1,845,368	-			1,845,368	-
US Department of Homeland Security	97.RD	70RDA124FR0000049	315,259	-			315,259	-
US Department of Homeland Security	97.RD	70RDA224FR0000026	646,411	-			646,411	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2025

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	70RDA224FR0000063	$ 1,404,761	$ -			$ 1,404,761	$ -
US Department of Homeland Security	97.RD	70RDAD22FR0000119	600,459	-			600,459	-
US Department of Homeland Security	97.RD	70RDAD23FR0000118	4,284	-			4,284	-
US Department of Homeland Security	97.RD	70RDAD23FR0000130	634,733	-			634,733	-
US Department of Homeland Security	97.RD	70RDAD23FR0000131	51,394	-			51,394	-
US Department of Homeland Security	97.RD	70RDAD23FR0000144	649,387	-			649,387	-
US Department of Homeland Security	97.RD	70RDAD23FR0000164	223,155	-			223,155	-
US Department of Homeland Security	97.RD	70RFP325FREH00011	318,623	-			318,623	-
US Department of Homeland Security	97.RD	70RSAT22FR0000045	5,652	-			5,652	-
US Department of Homeland Security	97.RD	70RSAT22FR0000046	63,817	-			63,817	-
US Department of Homeland Security	97.RD	70RSAT22FR0000056	123,476	-			123,476	-
US Department of Homeland Security	97.RD	70RSAT22FR0000064	355,420	-			355,420	-
US Department of Homeland Security	97.RD	70RSAT22FR0000065	536,140	-			536,140	-
US Department of Homeland Security	97.RD	70RSAT22FR0000087	27,203	-			27,203	-
US Department of Homeland Security	97.RD	70RSAT22FR0000125	322,896	-			322,896	-
US Department of Homeland Security	97.RD	70RSAT23FR0000003	48,367	-			48,367	-
US Department of Homeland Security	97.RD	70RSAT23FR0000004	1,782,508	-			1,782,508	-
US Department of Homeland Security	97.RD	70RSAT23FR0000005	121,035	-			121,035	-
US Department of Homeland Security	97.RD	70RSAT23FR0000051	383,127	-			383,127	-
US Department of Homeland Security	97.RD	70RSAT23FR0000055	58,443	-			58,443	-
US Department of Homeland Security	97.RD	70RSAT23FR0000058	141,276	-			141,276	-
US Department of Homeland Security	97.RD	70RSAT23FR0000074	1,000	-			1,000	-
US Department of Homeland Security	97.RD	70RSAT23FR0000099	37,417	-			37,417	-
US Department of Homeland Security	97.RD	70RSAT23FR0000100	556,445	-			556,445	-
US Department of Homeland Security	97.RD	70RSAT24FR0000011	51,189	-			51,189	-
US Department of Homeland Security	97.RD	70RSAT24FR0000020	269,971	-			269,971	-
US Department of Homeland Security	97.RD	70RSAT24FR0000028	240,412	-			240,412	-
US Department of Homeland Security	97.RD	70RSAT24FR0000041	193,106	-			193,106	-
US Department of Homeland Security	97.RD	70RSAT24FR0000073	234,734	-			234,734	-
US Department of Homeland Security	97.RD	70RSAT24FR0000078	168,091	-			168,091	-
US Department of Homeland Security	97.RD	70RSAT24FR0000095	342,222	-			342,222	-
US Department of Homeland Security	97.RD	70RSAT25FR0000004	32,763	-			32,763	-
US Department of Homeland Security	97.RD	70RSAT25FR0000018	169,287	-			169,287	-
US Department of Homeland Security	97.RD	70RTAC24FR0000098	544,999	-			544,999	-
US Department of Homeland Security	97.RD	70RWMD22F00000030	138,388	-			138,388	-
US Department of Homeland Security	97.RD	70RWMD23F00000028	44,297	-			44,297	-
US Department of Homeland Security	97.RD	70RWMD23F00000037	1,442,308	-			1,442,308	-
US Department of Homeland Security	97.RD	70RWMD24F00000031	461,938	-			461,938	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2025

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	70RWMD25F00000004	$ 172,119	$ -			$ 172,119	$ -
US Department of Homeland Security	97.RD	70US0922F1DHS2280	135,396	-			135,396	-
US Department of Homeland Security	97.RD	70US0923F1DHS2684	124,269	-			124,269	-
US Department of Homeland Security	97.RD	70US0924F1DHS2132	576,895	-			576,895	-
US Department of Homeland Security	97.RD	70Z02322FDCOX0001	270,095	-			270,095	-
US Department of Homeland Security	97.RD	70Z02322FPAE10002	302,757	-			302,757	-
US Department of Homeland Security	97.RD	70Z02323F91270001	119,453	-			119,453	-
US Department of Homeland Security	97.RD	70Z02323F93260001	491,982	-			491,982	-
US Department of Homeland Security	97.RD	70Z02324F11310002	707,489	-			707,489	-
US Department of Homeland Security	97.RD	70Z02324F5P000002	511,318	-			511,318	-
US Department of Homeland Security	97.RD	70Z02324FDCOX0002	1,009,985	-			1,009,985	-
US Department of Homeland Security	97.RD	70Z02324FPAE00001	543,253	-			543,253	-
US Department of Homeland Security	97.RD	70Z02325FPAE00002	101,751	-			101,751	-
US Department of Homeland Security	97.RD	HSHQDC-16-D-00007	(4,264)	-			(4,264)	-
Financial Assistance for Targeted Violence and Terrorism Preventi	97.132		-	(771)	National Governor's Association	02-600-01-128	(771)	-
Total for Department of Homeland Security			56,658,947	(771)			56,658,176	1,019,349
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		-	2,053,445	Puerto Rico Department of Housing	2024–DR0009	2,053,445	-
Total for Department of Housing and Urban Development			-	2,053,445			2,053,445	-
DEPARTMENT OF JUSTICE								
Department of Justice								
Department of Justice	16.RD	SC2400002310	-	46,977	Pima County	SC2400002310	46,977	-
Office of Justice Programs								
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	15PNIJ-21-GG-02708-RESS	293,984	-			293,984	-
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	15PNIJ-21-GG-04709-NIJB	258,706	-			258,706	6,547
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	15PNIJ-22-GG-01119-DOMR	233,327	-			233,327	-
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	15PNIJ-23-GG-05494-RESS	40,780	-			40,780	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2025

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
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2018-75-CX-K006	$ 484,869	$ -			$ 484,869	$ 271,695
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2020-JX-FX-K007	106,844	-			106,844	33,069
Total for Department of Justice			1,418,510	46,977			1,465,487	311,311
DEPARTMENT OF STATE								
Bureau of International Security and Nonproliferation								
Global Threat Reduction	19.033	SISNCT22CA0065	29,809	-			29,809	-
Global Threat Reduction	19.033	SISNCT24CA0023	481,009	-			481,009	-
Global Threat Reduction	19.033	SISNCT24CA0117	679,090	-			679,090	-
Global Threat Reduction	19.033	SISNCT25CA0021	3,031	-			3,031	
Nonproliferation and Disarmament Fund	19.224	SAQMIP24CA5140	681,768	-			681,768	-
Department of State								
Intergovernmental Mobility of Federal, State, and Local Employees	19.RD	IPA Agreement	243,267	-			243,267	-
Total for Department of State			2,117,974	-			2,117,974	-
DEPARTMENT OF TRANSPORTATION								
Federal Highway Administration								
Federal Highway Administration	20.RD	693JJ324P000036	817	-			817	-
Total for Department of Transportation			817	-			817	-
ENVIRONMENTAL PROTECTION AGENCY								
Environmental Protection Agency								
Geographic Programs - Chesapeake Bay Program	66.466	95334201	445,823	-			445,823	213,868
Science to Achieve results (STAR) Research Program	66.509	84047301	682,378	-			682,378	622,837
Total for Environmental Protection Agency			1,128,201	-			1,128,201	836,705
MILLENNIUM CHALLENGE CORPORATION								
Millenium Challenge Corporation								
MCC Foreign Assistance for Overseas Programs	85.002	95332418C0283	1,750	-			1,750	-
Total for Millennium Challenge Corporation			1,750	-			1,750	-

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2025

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
NATIONAL AERONAUTIICS AND SPACE ADMINISTRATION								
National Aeronautics and Space Administration								
Science	43.001		$ -	$ 109,900	University of Oklahoma	2022-50	$ 109,900	$ -
Total for National Aeronautics and Space Administration			-	109,900			109,900	-
NATIONAL SCIENCE FOUNDATION								
National Science Foundation								
Computer and Information Science and Engineering	47.070	1837959	(10,111)	-			(10,111)	-
Computer and Information Science and Engineering	47.070	2202345	40,482	-			40,482	-
Computer and Information Science and Engineering	47.070	2452366	10,539	-			10,539	-
Social, Behavioral, and Economic Sciences	47.075	1921489	11,452	-			11,452	-
Social, Behavioral, and Economic Sciences	47.075	2401551	33,533	-			33,533	-
Social, Behavioral, and Economic Sciences	47.075	2503940	135,005	-			135,005	-
STEM Education (formerly Education and Human Resources)	47.076	2122436	233,771	-			233,771	153,078
STEM Education (formerly Education and Human Resources)	47.076	2141992	297,247	-			297,247	-
STEM Education (formerly Education and Human Resources)	47.076	2235912	131,847	-			131,847	-
STEM Education (formerly Education and Human Resources)	47.076	2319933	196,149	-			196,149	47,533
STEM Education (formerly Education and Human Resources)	47.076		-	65,345	Clemson University	2417-206-2015443	65,345	-
STEM Education (formerly Education and Human Resources)	47.076		-	5,754	Massachusetts Institute for Technology	s6346, PO# 1057427	5,754	-
STEM Education (formerly Education and Human Resources)	47.076		-	231,159	Pennsylvania Western University, California	Cormas-2122-001	231,159	-
STEM Education (formerly Education and Human Resources)	47.076		-	5,259	University of Virginia	GR106266.SUB00001494	5,259	-
STEM Education (formerly Education and Human Resources)	47.076		-	71,089	Wested	S-21299	71,089	-
Engineering	47.041	2048637	272,514	-			272,514	82,630
Engineering	47.041	2146230	363,811	-			363,811	84,967
Geosciences	47.050	2022523	234,340	-			234,340	-
Geosciences	47.050	2410821	105,965	-			105,965	41,464
Geosciences	47.050	2420470	94,986	-			94,986	9,430
Geosciences	47.050		-	118,016	Sitka Sound Science Center	2022RAND-01	118,016	-
Intergovernmental Mobility of Federal, State, and Local Employees	47.RD	IPA Agreement	158,899	-			158,899	-
Total for National Science Foundation			2,310,429	496,622			2,807,051	419,102

The RAND Corporation

Schedule of Expenditures of Federal Awards (Continued)
Year Ended September 30, 2025

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 SECURITY ADMINISTRATION								
Social Security Administration								
Social Security Research and Demonstration	96.007		$ -	$ 8,666	National Bureau of Economic Research	51750.02.31 NB25-01-RAND	$ 8,666	$ -
Social Security Research and Demonstration	96.007		-	(296)	University of Michigan	SUBK00009628	(296)	-
Social Security Research and Demonstration	96.007		-	237,403	University of Michigan	SUBK00021228	237,403	-
Total for Social Security Administration			-	245,773			245,773	-
Total for Research and Development Cluster			300,732,389	21,347,201			322,081,340	15,120,086
Student Financial Assistance Cluster								
DEPARTMENT OF EDUCATION								
Federal Direct Student Loans	84.268		960,251	-			960,251	-
Total for Student Financial Assistance Cluster			960,251	-			960,251	-
Total Expenditure of Federal Awards			$ 301,692,640	$ 21,347,201			$ 323,041,591	$ 15,120,086

See notes to schedule of expenditures of federal awards

The RAND Corporation

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, 2025. 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 elected not to use the 10% *de minimis* cost rate allowed under the Uniform Guidance for awards issued prior to October 1, 2024 or the 15% *de minimis* cost rate allowed under the Uniform Guidance for awards issued on or after October 1, 2024.

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, 2025 have been submitted to the DCMA. As of the date of the issuance of this report, the audit for September 30, 2025 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, 2025

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?	X	Yes		No
Significant deficiency(ies) identified?		Yes	X	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. 2025-001: Reclassification of Net Assets

Material Weakness

Criteria: Under ASC 958-205, not-for-profit entities are required to classify net assets based on the existence or absence of donor-imposed restrictions and under ASC 958-605, conditional revenue should be recognized when conditions are met.

Condition: During the audit, management informed us that amounts totaling $9.4 million that were released from restriction in the year ended September 30, 2024, due to time, were not properly reported as releases from restrictions in the audited financial statements. In addition, the total beginning net assets and beginning receivables for the year ended September 2024, were restated to properly recognize revenue and the related receivable earned in years ended September 30, 2020, 2021, 2022 and 2023 and to recognize release from restrictions from those years that were not properly reported.

Cause: The cause is a result of the manual process in place for releasing net assets with donor restrictions to net assets without donor restrictions during the year the restrictions were met. In addition, management did not adequately evaluate donor agreements and grant documentation to identify any conditions or whether the agreements allowed management to have full discretion on how the funds can be spent.

Effect: The presentation of net assets by classification was materially misstated requiring the financial statements to be restated. As a result of the restatement, there was a decrease in net assets with donor restrictions and an increase in net assets without donor restrictions of approximately $9.3 million as of September 30, 2024 due to the restatement. In addition, the opening balances for net assets with donor restrictions net assets without donor restrictions and receivables, net of billed and unbilled costs, were restated by approximately $6.0 million, $2.6 million and $3.4 million, respectively, as of October 1, 2023.

Recommendation: We recommend that management enhance its controls over the review of donor agreements and contribution revenue recognition to properly conclude on whether the contribution is conditional or unconditional and if unconditional to ensure that donor-imposed restrictions are appropriately identified and reflected in net asset classification. This should include formal documentation of the revenue conclusion and restriction assessment and supervisory review at the time contributions are recorded.

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

Section III—Federal Award Findings and Questioned Costs

No matters were reported.

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Summary Schedule of Prior Year Finding
Year Ended September 30, 2025

Finding No. 2024-001: Communication Between Departments

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.

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

Current year status: The issue was rectified.

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Management's Views and Corrective Action Plan

Finding No. 2025-001: Reclassification of Net Assets

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

Anticipated Completion Date: September 30, 2025

Corrective Action Plan: Reclassification of Net Assets:

To address the appropriate reclassification of the net assets, the Finance & Accounting department has put in place a checklist-based control to ensure we record the movement, once cash is received on pledge payments, from the net assets with restriction designation to the net assets without restrictions designation.

RAND Management concurs with this finding related to the fiscal year ended September 30, 2025. Management recognizes the need for the above-mentioned strengthening of controls surrounding the proper classification of net assets associated 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 FY26.

CONSOLIDATED FINANCIAL STATEMENTS

Fiscal Years Ended September 30, 2025 and 2024

RAND

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 statements of financial position as of September 30, 2025 and 2024, and the related consolidated statements of activities and of cash flows for the years 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, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter
As disclosed in Note 14 to the financial statements, RAND restated the September 30, 2024 financial statements to correct a prior period misstatement. Our opinion is not modified with respect to this matter.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 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 April 10, 2026, 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.
April 10, 2026

The RAND Corporation

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands)

	As of September 30, 2025	As of September 30, 2024 (as restated)
ASSETS		
Current assets		
Cash and cash equivalents	$ 100,869	$ 98,919
Short-term investments	1,168	1,118
Receivables, net		
Billed and unbilled costs	70,755	79,910
Other receivables	28,880	12,838
Prepaid expenses and other current assets	16,520	18,099
Total current assets	218,192	210,884
Property and equipment		
Land	1,334	1,334
Buildings and improvements	124,487	123,325
Leasehold improvements	23,295	27,308
Equipment	89,972	90,672
Construction in progress	3,120	5,284
	242,208	247,923
Less: Accumulated depreciation and amortization	(155,953)	(156,734)
Net property and equipment	86,255	91,189
Long-term investments	355,053	330,315
Other assets	30,451	29,045
Right-of-use assets - operating leases	90,813	78,836
Total assets	$ 780,764	$ 740,269
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and other liabilities	$ 29,060	$ 23,577
Unexpended portion of grants and contracts received	17,285	8,294
Accrued compensation and vacation	32,707	30,728
Current portion of long-term debt	3,590	3,440
Short-term operating lease liability	7,423	14,657
Total current liabilities	90,065	80,696
Long-term operating lease liability	91,372	69,908
Accrued postretirement benefit liability	677	2,198
Other long-term liabilities	5,419	6,985
Long-term debt, less current portion and bond issue cost	81,343	84,913
Total liabilities	268,876	244,700
Net assets		
Without donor restrictions	251,466	259,723
With donor restrictions		
For time or purpose	184,019	160,262
In perpetuity	76,403	75,584
	260,422	235,846
Total net assets	511,888	495,569
Total liabilities and net assets	$ 780,764	$ 740,269

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, 2025			For the Year Ended September 30, 2024 (as restated)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT						
Contracts and grants	$ 424,139	$ 2,102	$ 426,241	$ 405,941	$ 20,525	$ 426,466
Net assets released from restrictions - contracts and grants	17,434	(17,434)	-	19,248	(19,248)	-
Total contracts and grants revenue and other support	441,573	(15,332)	426,241	425,189	1,277	426,466
Investment income, net	6,028	1,197	7,225	2,968	1,965	4,933
Net realized gains on investments	9,387	9,852	19,239	5,261	2,947	8,208
Net unrealized gains on investments	1,850	1,784	3,634	22,259	13,786	36,045
Contributions	24,718	71,934	96,652	3,808	28,905	32,713
Net assets released from restrictions - contributions	44,859	(44,859)	-	29,564	(29,564)	-
Other income	2,735	-	2,735	2,325	-	2,325
Total revenues, gains, and other support	531,150	24,576	555,726	491,374	19,316	510,690
EXPENSES						
Research	431,644	-	431,644	362,840	-	362,840
Management and general and fundraising	112,785	-	112,785	101,699	-	101,699
Total expenses	544,429	-	544,429	464,539	-	464,539
Change in net assets before other items	(13,279)	24,576	11,297	26,835	19,316	46,151
Other items:						
Change in fair value of derivative instruments (Note 9)	1,566	-	1,566	(2,395)	-	(2,395)
Other components of net periodic postretirement benefit costs	1,103	-	1,103	1,438	-	1,438
Adjustment to accrued postretirement benefit liability (other than net periodic postretirement benefit cost) (Note 8)	1,383	-	1,383	(2,749)	-	(2,749)
Foreign exchange gain on revaluation (Note 2)	970	-	970	254	-	254
Loss on disposition of property and equipment	-	-	-	(6,545)	-	(6,545)
Change in net assets	(8,257)	24,576	16,319	16,838	19,316	36,154
Net assets at beginning of year	259,723	235,846	495,569	242,885	216,530	459,415
Net assets at end of year	$ 251,466	$ 260,422	$ 511,888	$ 259,723	$ 235,846	$ 495,569

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, 2025	For the Year Ended September 30, 2024 (as restated)
Cash flows from operating activities:		
Change in net assets	$ 16,319	$ 36,154
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	12,967	11,709
Amortization of right-of-use assets	(11,977)	7,801
Net realized/unrealized gain	(22,873)	(44,253)
Contributions with donor restrictions for long-term purposes	(820)	(2,934)
Change in postretirement benefit liability	(1,383)	2,749
Change in fair value of derivative instruments	(1,566)	2,395
Foreign exchange (gain) loss	(302)	238
(Gain) loss on disposition of property and equipment	17	6,545
Changes in assets and liabilities:		
(Increase) decrease in:		
Billed and unbilled costs and fees	9,155	(1,390)
Other receivables	(17,520)	6,799
Prepaid expenses and other current assets	1,579	(1,709)
Other assets	(1,410)	2,547
Increase (decrease) in:		
Accounts payable and other liabilities	5,483	2,920
Unexpended portion of grants and contracts received	8,991	1,820
Accrued compensation and vacation	1,979	2,766
Operating lease liability	14,230	(7,199)
Accrued postretirement benefit liability	(138)	(687)
Net cash provided by operating activities	12,731	26,271
Cash flows from investing activities:		
Purchases of investments	(104,335)	(86,974)
Sales of investments	110,360	93,943
Proceeds from sales of building and land	-	4,129
Purchases of property and equipment	(8,027)	(11,222)
Net cash used in investing activities	(2,002)	(124)
Cash flows from financing activities:		
Principal payments on long term debt	(3,440)	(3,305)
Contributions with donor restrictions for long-term purposes	1,856	5,028
Net cash (used in) provided by financing activities	(1,584)	1,723
Effect of currency exchange rate changes on cash	490	(785)
Net increase in cash, cash equivalents, and restricted cash	9,635	27,085
Cash, cash equivalents, and restricted cash at beginning of period	109,098	82,013
Cash, cash equivalents, and restricted cash at end of period	$ 118,733	$ 109,098
Supplemental cash flow information:		
Cash paid for interest	$ 3,980	$ 4,478

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

1. Corporate Organization:

The RAND Corporation (RAND) is a nonprofit, tax-exempt corporation organized to conduct research and analysis to advance the public interest. RAND's activities are funded primarily by contracts, grants, and contributions. RAND also operates the Pardee RAND Graduate School of Public Policy, which offers master's degrees in national security policy and technology policy analysis, as well as Ph.D. and M.Phil. programs in policy analysis.

The accompanying consolidated financial statements include the accounts of RAND and its wholly owned or controlled subsidiaries:

- RAND Europe, a Community Interest Company registered in the United Kingdom and the controlling party of RAND Europe AISBL (an international nonprofit association registered in Belgium) and RAND Europe NL (a nonprofit foundation registered in the Netherlands);
- RAND Australia Pty Ltd, a Proprietary Company limited by shares, based in Australia; and
- Goshen Avenue Housing, LLC ("Goshen"), formed for the exclusive purpose of holding title to the Goshen Avenue Housing property, which was sold, and therefore the LLC was closed as of September 30, 2025.

All significant 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 92% and 89% of its United States Contracts and grants revenues in fiscal years 2025 and 2024, 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, 2025, and 2024, $100,869,000 and $98,919,000 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 $1,168,000 and $1,118,000 as well as an unrestricted cash balance in Long-term investments in the amount of $16,696,000 and $9,062,000 for the fiscal years ending 2025 and 2024.

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 $5,000 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, 2025, and 2024, no impairment indicators were identified.

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, 2025, or 2024, 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 ending balance of the fund.

Board-designated funds distributed for use was approximately 5% in fiscal years 2025 and 2024 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, with subsequent distribution taken in fiscal year 2025.

The total net distributions from board-designated funds were $10,692,000 and $8,358,000 for fiscal years 2025 and 2024, 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, 2025, and 2024 are as follows (in thousands):

	September 30, 2025		September 30, 2024	
Net Book Value	$	2,533	$	3,708
Accumulated Amortization	$	7,052	$	5,877
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. Transfers of assets are analyzed to determine whether they represent a contribution or an exchange transaction. If a transfer is not considered a contribution, it is treated as an exchange transaction and evaluated using the five-step model under ASU No. 2014-09, *Revenue from Contracts with Customers (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. $7,467,000 and $5,635,000 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, 2025 and 2024, 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 $63,109,000 and $64,505,000 as of September 30, 2025 and 2024, 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 $20,444,000 and $11,678,000 as of September 30, 2025 and 2024, respectively. $9,818,000 and $2,659,000 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, 2025 and 2024, 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 2025 and 2024 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, 2025 and 2024 are as follows (in thousands):

	September 30, 2025	September 30, 2024
Exchange transactions	$ 335,043	$ 353,116
Non-exchange transactions	91,198	76,732
Total contracts and grants revenue	$ 426,241	$ 429,848

Within the $91,198,000 and $76,732,000 of non-exchange revenues recognized in fiscal years 2025 and 2024, $71,662,000 and $50,338,000 was released from restriction as the associated time and/or purpose restriction was met in fiscal year 2025 and 2024, 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, 2025, and 2024 are as follows (in thousands):

	September 30, 2025	September 30, 2024
Exchange transactions	$ 40,462	$ 38,326
Non-exchange transactions	11,374	12,251
Unbilled	$ 51,836	$ 50,577

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, 2023, was $39,055,000 and $11,408,000, respectively.

Exchange transactions included in Unexpended portion of grants and contracts received on the Consolidated Statements of Financial Position are $17,285,000 for the year ended September 30, 2025, and will be recognized as Contracts and grant revenue during the next fiscal year when the conditions on which they depend have been substantially met. Conditions typically include the achievement of specified milestones or performance barriers. Amounts received prior to satisfying such conditions are recorded as Unexpended portion of grants and contracts received. Substantially all of the Unexpended portion of grants and contracts received balance of $8,294,000 as of September 30, 2024, and $6,474,000 as of September 30, 2023, was recognized as Contracts and grants revenue during the years ended September 30, 2025, and September 30, 2024, 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, 2025, and 2024, $44,859,000 and $29,564,000 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. Foreign Currency Translation pertains exclusively to RAND's foreign subsidiaries and related foreign-currency transactions. 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 are included in Change in net assets before other items on the Consolidated Statements of Activities.

Within Other items on the Consolidated Statements of Activities, RAND recognized foreign exchange gains on the revaluation of intercompany balances. For the year ended September 30, 2025, foreign currency translation adjustments reflect the remeasurement of RAND's foreign subsidiaries, including its ownership interest, intercompany loan balances, accrued interest, and intercompany accounts payable and receivable, all of which are denominated in foreign currencies. For the year ended September 30, 2024, foreign currency translation adjustments were solely related to an intercompany loan. Consistent with ASC 830, Foreign Currency Matters, RAND recognized foreign exchange gains of $31,000 and $29,000 for the years ended September 30, 2025, and 2024, respectively.

New Accounting Pronouncements. In May 2025, the Financial Accounting Standards Board (FASB) issued ASU 2025 05, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. This amendment updates guidance under the Current Expected Credit Loss (CECL) model introduced in prior years, which replaces the former "incurred loss" approach and requires recognition of expected lifetime credit losses for financial assets measured at amortized cost.

RAND adopted the initial CECL guidance in fiscal year 2024. As part of that implementation, management performed a comprehensive assessment of the standard's impact on the organization's financial instruments. RAND's principal financial assets include cash and cash equivalents, investments in marketable securities, and receivables from sponsors and donors primarily related to contracts and grants with U.S. federal, state, and local government agencies, research institutions, and nonprofit organizations. Given the historically low credit risk associated with these counterparties, expected losses under the CECL model were determined to be immaterial.

In fiscal year 2025, RAND adopted the amendment to Topic 326, electing the practical expedient applicable to trade receivables and student tuition. This election permits entities to measure expected credit losses using historical loss information when current economic conditions and reasonable forecasts are not expected to vary meaningfully over the remaining lives of the related assets. RAND applies this practical expedient consistently across all affected receivable balances and also considers subsequent collections occurring after the balance sheet date but before issuance of the financial statements.

RAND maintains a reserve for credit losses using a Probability of Default approach. For the fiscal year ended September 30, 2025, the reserve balance was approximately $129,000, consistent with historical averages since FY20. As of that same date, RAND's uncollected receivables totaled approximately $17.0 million. Management reviewed these balances and concluded that the related risk of non-collection remains immaterial.

Management determined that the adoption of the CECL standard and its related amendment did not have a material effect on RAND's consolidated financial statements or financial position.

Subsequent Events. During the period October 2025 through April 10, 2026, RAND had capital calls related to its Multi Strategy Hedge Fund, Private Real Asset, Private Credit, and Private Equity Funds totaling $0, $630,000, $0, and $1,626,000, respectively. RAND received distributions related to its Multi Strategy Hedge Fund, Private Real Asset, Private Credit, and Private Equity totaling $19,000, $1,187,000, $2,869,000, and $4,352,000, respectively.

RAND has evaluated subsequent events through April 10, 2026, 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, 2025, and 2024 are as follows (in thousands):

	September 30, 2025	September 30, 2024
Total assets at year end	$ 780,764	$ 740,269
Less: Financial assets not available for current use	(59,365)	(40,277)
Less: Property and equipment and other non-financial assets	(200,133)	(203,071)
Less: Long-term investments	(355,053)	(330,315)
Total financial assets available at year end for current use	166,213	166,606
Add: Board-designated investments	209,806	199,874
Total with Board-designated investments	$ 376,019	$ 366,480

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, 2025, and 2024 (in thousands):

	September 30, 2025	September 30, 2024
U.S. government agencies		
Billed	$ 9,198	$ 17,884
Unbilled	26,494	22,786
	35,692	40,670
State, local and private sponsors		
Billed	9,850	11,578
Unbilled	25,342	27,791
	35,192	39,369
Allowance for credit losses	(129)	(129)
	$ 70,755	$ 79,910

Within Other assets in the Consolidated Statements of Financial Position are $2,874,000 and $9,903,000 of non-exchange, long-term unbilled receivables for the years ended September 30, 2025, and 2024, respectively.

Unbilled amounts principally represent recoverable costs billed in the first quarter of fiscal years 2026 and 2025, 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 $49,487,000 and $26,309,000 as of September 30, 2025 and 2024, 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, 2025, and 2024 is expected in the following periods (in thousands):

	September 30, 2025	September 30, 2024
In one year or less	$ 25,762	$ 12,419
Between 1 yr. and 5 yrs.	25,527	15,656
	51,289	28,075
Less: Discount	(1,621)	(1,558)
Allowance for Bad Debt	(181)	(208)
	$ 49,487	$ 26,309

Contributions receivable in the following net asset with donor restrictions categories as of September 30, 2025, and 2024 are primarily intended to be used for the purposes more fully described in Footnote 12 (in thousands):

	September 30, 2025	September 30, 2024
Restricted for time or purpose	$ 47,914	$ 24,796
Restricted in perpetuity	1,573	1,513
	$ 49,487	$ 26,309

As of September 30, 2025, one donor makes up approximately 68% of gross contributions receivable. As of September 30, 2024, two donors make up approximately 57% of gross contributions receivable. RAND received payments on prior year contributions receivable in the amount of $18,139,000 and $16,671,000 for years ended September 30, 2025 and 2024, respectively.

Per estate bequests, retirement account designations, or insurance policy designations, RAND had intentions totaling $25,884,000 and $31,743,000 for the Pardee RAND Graduate School and research as of September 30, 2025, and 2024, 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 20% and 24% of Long-term investments consist of foreign investment holdings as of September 30, 2025 and 2024, respectively. RAND's net investment return for years ended September 30, 2025 and 2024 is a gain of $30,098,000 and $49,186,000, respectively.

As of September 30, 2025, RAND had commitments outstanding to purchase private equity, real asset, and credit funds of $18,275,000; $2,737,000 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, 2025, and 2024 (in thousands):

	September 30, 2025		September 30, 2024	
Cash and Cash Equivalents	$	16,902	$	9,062
Equity Funds, at fair value		162,872		142,585
Fixed Income Funds, at fair value		96,191		92,093
Alternative Investments				
Private Credit Funds		14,962		19,538
Private Equity and Real Asset Funds		63,956		66,787
Multi-strategy and Long/Short Hedge Funds		170		250
	$	355,053	$	330,315

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, 2025 were as follows (in thousands):

	Level 1	Level 2	Level 3	NAV	September 30, 2025
Assets					
Investments					
Equity Funds	$ 162,872	$ -	$ -	$ -	$ 162,872
Fixed Income Funds	81,495	14,696	-	-	96,191
Alternative Investments					
Private Credit Funds	-	-	-	14,962	14,962
Private Equity and Real Asset Funds	-	-	-	63,956	63,956
Multi-Strategy and Long/Short Hedge Funds	-	-	-	170	170
	244,367	14,696	-	79,088	338,151
Cash/Money Market Funds	-	-	-	-	16,902
Total Assets	$ 244,367	$ 14,696	$ -	$ 79,088	$ 355,053
Liabilities					
Derivatives	$ -	$ 5,420	$ -	$ -	$ 5,420

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 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, 2025 (in thousands):

Category	Strategy	NAV	Unfunded Commitments	Nature and Risks of the Investment
Private Credit	Credit, non-performing loans, secured and unsecured	$ 14,962	$ 1,152	Investment timeframe is 1-4 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	63,956	17,122	Private Equity: Investment timeframes are 0-7 years; time to draw down commitments is 0-3 years; interest in the funds can be sold only with the consent of the fund managers. Private Real Asset: Investment timeframes are 0-5 years; time to draw down commitments is 0-1 years; interest in the funds can be sold only with the consent of the fund manager.
Multi-Strategy	Various (fixed income arbitrage, structured credit, event-driven)	170	-	Redemptions dependent upon realization of side-pocket or other underlying investment sale.
Total		$ 79,088	$ 18,274	

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 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	66,787	20,885	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)	250	-	Redemptions dependent upon realization of side-pocket or other underlying investment sale.
Total		$ 86,575	$ 22,037	

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, 2025, and 2024, are as follows (in thousands):

	September 30, 2025	September 30, 2024
Change in benefit obligation		
Benefit obligation at beginning of year	$ 29,635	$ 24,651
Service cost	965	751
Increase due to passage of time	1,494	1,467
Plan participants' contributions	353	265
Actuarial gain	(1,451)	3,818
Benefits paid	(988)	(1,262)
Benefits paid from RAND assets	(146)	(55)
Benefit obligation at end of year	$ 29,862	$ 29,635
Change in plan assets		
Fair value of the Plan's total assets at beginning of year	$ 27,437	$ 24,515
Actual return on plan assets	2,384	3,919
Employer contributions	146	55
Plan participants' contributions	353	265
Benefits paid	(1,135)	(1,317)
Fair value of the Plan's total assets at end of year	$ 29,185	$ 27,437
Reconciliation of funded status		
Projected benefit obligation at end of year	$ (29,862)	$ (29,635)
Fair value of the Plan's assets at end of year	29,185	27,437
Unfunded status	$ (677)	$ (2,198)

The unfunded statuses are shown on the Consolidated Statements of Financial Position in Accrued postretirement benefit liability as of September 30, 2025 and 2024. 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, 2025 were $499,000 and the contributions expected to be received during the fiscal year ended September 30, 2026 are $69,000.

Amounts expected to be recognized in Other components of net periodic benefit cost during fiscal year 2026, consist of (in thousands):

Net gain	$ 447
Total	$ 447

The following table provides the relevant weighted-average assumptions used for the years ended September 30, 2025, and 2024:

	September 30, 2025	September 30, 2024
Discount rate used to determine benefit obligation	5.50%	5.15%
Discount rate used to determine net periodic postretirement benefit cost	5.15%	6.10%
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, 2025, and 2024:

	September 30, 2025	September 30, 2024
Health care cost trend rate assumed for the next year	8.00%	6.50%
Rate to which the cost trend rate is assumed to decline	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2032	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, 2025 U.S. Capital Market Assumptions.

The net periodic postretirement benefit cost for the years ended September 30, 2025 and 2024 included the following components (in thousands):

	September 30, 2025	September 30, 2024
Service cost-benefits attributed to service during the period	$ (965)	$ (751)
Increase in the accumulated postretirement benefit obligation due to the passage of time	(1,494)	(1,467)
Expected return on the Plan's investment assets	2,013	1,795
Net prior service credit amortization	346	517
Gain amortization	238	593
Net periodic postretirement benefit income	$ 138	$ 687

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, 2025 and 2024 included the following components (in thousands):

	September 30, 2025	September 30, 2024
Net prior service credit	$ -	$ 346
Net gain	5,590	4,007
Cumulative amounts recognized in net assets without donor restrictions	$ 5,590	$ 4,353

Details to compute the adjustment of $1,237,000 and ($2,804,000) 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, 2025 and 2024 included the following components (in thousands):

	September 30, 2025	September 30, 2024
Cumulative amounts recognized in net assets without donor restrictions at prior fiscal year end	$ 4,353	$ 7,157
Net prior service credit amortization during the year:		
Net gain amortized during the year	(238)	(593)
Net prior service credit	(346)	(517)
Net loss that occurred during the year	1,821	(1,694)
Cumulative amounts recognized in net assets without donor restrictions at current fiscal year end	$ 5,590	$ 4,353

For September 30, 2025, the difference between the $5,590,000 and $4,353,000 is an adjustment of $1,237,000 which is primarily due to a gain related to a increase in the discount rate from 5.15% to 5.50% and a net gain that occurred during the year. 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 decrease in the discount rate from 6.10% to 5.15% and a 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
2026	1,372
2027	1,433
2028	1,481
2029	1,547
2030	1,615
Next Five years	9,433

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 22% and 24% of the Plan's Long-term investments consist of foreign holdings as of September 30, 2025 and 2024, respectively. Commitments of $137,000 are due within one year as of September 30, 2025.

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, 2025 were as follows (in thousands):

	Level 1	Level 2	Level 3	NAV	September 30, 2025
Assets					
Investments					
Equity Funds	$ 15,366	$ -	$ -	$ -	$ 15,366
Fixed Income Funds	7,639	1,163	-	-	8,802
Alternative Investments					
Private Credit	-	-	-	1,176	1,176
Private Equity and Real Asset Funds	-	-	-	3,811	3,811
	23,005	1,163	-	4,987	29,155
Cash Equivalents	-	-	-	-	596
Total Assets	$ 23,005	$ 1,163	$ -	$ 4,987	$ 29,751

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

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, 2025 (in thousands):

Category	Strategy	NAV	Unfunded Commitments	Nature and Risks of the Investment
Private Credit	Credit, non-performing loans, secured and unsecured	$ 1,176	$ 94	Investment timeframe is 1-4 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	3,811	1,062	Private Equity: Investment timeframes are 0-7 years; time to draw down commitments is 0-3 years interest in the funds can be sold only with the consent of the fund managers. Private Real Asset: Investment timeframes are 0-5 years; time to draw down commitments is 0-1 years; interest in the funds can be sold only with the consent of the fund manager.
		$ 4,987	$ 1,156	

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	

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, 2025, and 2024 (in thousands):

	September 30, 2025	September 30, 2024
Variable Rate Revenue Bonds, Series 2021; average interest rate of 3.99% and 4.71% for the fiscal years ending September 30, 2025 and September 30, 2024, respectively.	$ 85,265	$ 88,705
Bond issuance costs	(332)	(352)
	84,933	88,353
Less: current portion	(3,590)	(3,440)
	$ 81,343	$ 84,913

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. RAND is in compliance with all covenants as of September 30, 2025.

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 $23,025,000 and $23,950,000 as of September 30, 2025, and 2024, 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 $26,415,000 and $27,565,000 as of September 30, 2025, and 2024, 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 gain of $1,566,000 and a loss of $2,395,000 for fiscal years 2025 and 2024, respectively. The liability related to the interest rate swaps of $5,419,000 and $6,985,000 for fiscal years 2025 and 2024, 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):

2026	$	3,590
2027		3,720
2028		3,875
2029		4,050
2030		4,190
Thereafter		65,840
	$	85,265

Accrued interest payable relating to the bonds was $0 and $341,000 as of September 30, 2025 and 2024, respectively. RAND's total interest expense was $3,981,000 and $4,478,000 for the fiscal years ended September 30, 2025 and 2024, respectively.

Line of Credit. 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 2036. RAND has entered into the following lease arrangements:

Short-Term Leases. RAND had three short-term leases (12 months or less) during the fiscal year, located in Pittsburgh, Australia, and the Netherlands. All three leases had an initial term or 12 months and did not include a purchase option. RAND has elected to apply the short-term lease practical expedient, under which leases with a term of 12 months or less are not recognized on the statement of financial position.

Operating Leases – Lessee. RAND has various equipment and real estate leases for office space that expire in various years through 2036. These leases generally contain renewal options for periods ranging from 1 year to 10 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 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 was terminated as of December 2024 and was not renewed. 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, 2025 and 2024, are as follows (in thousands):

	September 30, 2025	September 30, 2024
Operating lease cost	$ 13,139	$ 12,213
Sublease income	(307)	(366)
Total	$ 12,832	$ 11,847
Other Information		
Cash paid for amounts included in the measurment of lease liabilities		
Operating - Operating cash flows	$ 10,615	$ 10,463
Right-of-use assets obtained in the exchange for lease liabilities		
Operating leases	$ 20,136	$ -
Weighted-average remaining lease term		
Operating leases	10.2 years	10.4 years
Weighted-average discount rate		
Operating leases	3.90%	3.83%

Future aggregate minimum lease payments as of September 30, 2025, are as follows (in thousands):

	September 30, 2025
2026	$ 10,590
2027	11,117
2028	11,061
2029	11,490
2030	11,671
Thereafter	64,384
Total	120,313
Less: amounts representing interest	(21,518)
PV of net minimum lease payments	$ 98,795

11. Contingencies:

Contract costs billed prior to September 30, 2024 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, 2024 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, 2025 (in thousands):

	Without donor restriction	For Time or Purpose	In Perpetuity	Total
Donor restricted funds	$ -	$ 70,944	$ 74,303	$ 145,247
Board-designated funds	209,806	-	-	209,806
End of year	$ 209,806	$ 70,944	$ 74,303	$ 355,053

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	$ -	$ 56,604	$ 73,837	$ 130,441
Board-designated funds	199,874	-	-	199,874
End of year	$ 199,874	$ 56,604	$ 73,837	$ 330,315

The following table summarizes the activity in the endowment during fiscal year 2025 (in thousands):

	Without donor restriction	For Time or Purpose	In Perpetuity	Total
Beginning of the year	$ 199,874	$ 56,604	$ 73,837	$ 330,315
Investment return	18,874	11,935	-	30,809
Contributions	-	8,280	466	8,746
Appropriations	(9,463)	(5,875)	-	(15,338)
Other charges/reclassification	521	-	-	521
End of year	$ 209,806	$ 70,944	$ 74,303	$ 355,053

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	$ 178,694	$ 39,550	$ 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	$ 199,874	$ 56,604	$ 73,837	$ 330,315

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, 2025, and 2024.

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, 2025, and 2024 (in thousands):

	September 30, 2025	September 30, 2024
Designated for investment - long term	$ 188,965	$ 170,879
Designated for investment - general	30,056	41,243
Designated for investment - special use		
RAND Education	3,592	3,412
RAND School of Public Policy	2,637	2,512
Countering Truth Decay, as restated	2,333	1,551
Special Purpose Finds, as restated	455	340
	$ 228,038	$ 219,937

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, 2025, and 2024 (in thousands):

	September 30, 2025	September 30, 2024
RAND General Support, as restated	$ 42,193	$ 18,360
RAND School of Public Policy	35,732	36,509
Global and Emerging Risks	18,616	8,648
National Security Research and Training	16,687	8,897
Justice, Infrastructure, and Environment	8,137	7,862
Special Purpose Funds, as restated	5,821	5,318
Institute for Civil Justice	4,389	4,208
Paul O'Neill Alcoa Professorship in Policy Analysis	3,092	2,640
Asia Pacific Policy and Research	3,038	3,731
Health Care Policy and Research	2,945	3,546
Middle East Public Policy	2,569	2,731
Others	2,417	1,900
Countering Truth Decay, as restated	1,815	2,435
Long-Term Global Policy Research	1,809	1,515
Hauser Foundation - Impact Awards	1,022	976
Education Policy and Research	1,020	3,112
Haskins - Science Policy	966	849
Center for Global Risk and Security	939	913
Russia and Eurasia Policy and Research	664	632
	153,871	114,782
Non-exchange grant contributions	30,148	45,480
	$ 184,019	$ 160,262

The following net assets are invested in perpetuity and the income is available to support the restricted activities as of September 30, 2025, and 2024 (in thousands):

	September 30, 2025	September 30, 2024
RAND School of Public Policy	$ 38,442	$ 38,127
National Security Research and Training	5,190	5,191
Institute for Civil Justice	4,184	4,184
RAND General Support	4,023	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	2,000
Research Position Endowment	1,500	1,500
Others	1,045	751
Michael Gould Professional Development Endowed Funds	1,035	1,035
Demographer Endowed Position	814	814
	$ 76,403	$ 75,584

14. Restatement

During fiscal year September 30, 2025, management identified errors relating to the classification of net assets with donor restrictions and net assets without donor restrictions as net assets were not properly released in prior years as the time restriction was met and certain contributions received were incorrectly identified as having purpose restrictions. These errors had no impact on total net assets in the prior years. In addition, an error was identified by management related to conditional contract and grant revenue that was improperly recognized prior to the barriers being met during years prior to fiscal year ending September 30, 2024. As a result, the opening balances for purpose restricted net assets with donor restrictions in Note 13 were also restated. Receivables, net of billed and unbilled costs with a balance of $75,138,000 as of October 1, 2023 was restated by $3,382,000 to a restated amount of $78,520,000.

The effect of the restatement on the financial statements as of September 30, 2024, in addition to the receivables, net as of October 1, 2023, are as follows:

	(As Previously Stated) September 30, 2024	Restatement Effect	(As Restated) September 30, 2024
Consolidated Statement of Financial Position:			
Net assets			
Without donor restrictions	250,427	9,296	259,723
With donor restrictions			-
For time or purpose	169,558	(9,296)	160,262
In perpetuity	75,584	-	75,584
	245,142	(9,296)	235,846
Total net assets	495,569	-	495,569

	(As Previously Stated) September 30, 2024	Restatement Effect	(As Restated) September 30, 2024
Consolidated Statements of Activities			
Contracts and grants (without donor restrictions)	403,454	2,487	405,941
Total contracts and grants revenue and other support (without donor restrictions)	422,702	2,487	425,189
Contracts and grants (with donor restrictions)	26,394	(5,869)	20,525
Total contracts and grants revenue and other support (with donor restrictions)	7,146	(5,869)	1,277
Net assets released from restrictions - contributions (without donor restrictions)	20,159	9,405	29,564
Net assets released from restrictions - contributions (with donor restrictions)	(20,159)	(9,405)	(29,564)
Total revenue, gains, and other support (without donor restrictions)	479,482	11,892	491,374
Total revenue, gains, and other support (with donor restrictions)	34,590	(15,274)	19,316
Change in net assets before other items (without donor restrictions)	14,943	11,892	26,835
Change in net assets before other items (with donor restrictions)	34,590	(15,274)	19,316
Change in net assets (without donor restrictions)	4,946	11,892	16,838
Change in net assets (with donor restrictions)	34,590	(15,274)	19,316
Net assets at beginning of year (without donor restrictions)	245,481	(2,596)	242,885
Net assets at beginning of year (with donor restrictions)	210,552	5,978	216,530
Net assets at end of year (without donor restrictions)	250,427	9,296	259,723
Net assets at end of year (with donor restrictions)	245,142	(9,296)	235,846
Consolidated Statements of Cash Flows			
Change in net assets	39,536	(3,382)	36,154
Billed and unbilled costs and fees	(4,772)	3,382	(1,390)

15. 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, 2025, functional expenses consist of the following (in thousands):

	Research	Management and General	Fundraising	Year Ended September 30, 2025 Total
Personnel	$ 323,505	$ 51,259	$ 4,141	$ 378,905
Expenses	53,272	33,341	1,128	87,741
Subcontracts/Professional Services	53,040	7,782	12	60,834
Depreciation and Amortization	1,827	11,140	-	12,967
Interest	-	3,982	-	3,982
Total	$ 431,644	$ 107,504	$ 5,281	$ 544,429

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

16. 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 $21,399,000 and $19,400,000 for the fiscal years ended September 30, 2025 and 2024, respectively. The SRAP and NDCP only require employee contributions, and RAND does not contribute to these plans.