

**RAPE, ABUSE & INCEST NATIONAL NETWORK  
(RAINN)**

**AUDITED FINANCIAL STATEMENTS**

**YEARS ENDED MAY 31, 2024 AND 2023**

# Rape, Abuse & Incest National Network (RAINN)

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## **Independent Auditor's Report**

To the Board of Directors  
**Rape, Abuse & Incest National Network (RAINN)**  
Washington, D.C.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of **Rape, Abuse & Incest National Network (RAINN)** (a nonprofit organization), which comprise the Statements of Financial Position as of May 31, 2024 and 2023, and the related Statements of Activities and Changes in Net Assets, Functional Expenses and Cash Flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Rape, Abuse & Incest National Network (RAINN)** as of May 31, 2024 and 2023 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Rape, Abuse & Incest National Network (RAINN)** 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 opinions.

#### ***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 **Rape, Abuse & Incest National Network (RAINN)**'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Independent Auditor's Report (Continued)

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 generally accepted 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 **Rape, Abuse & Incest National Network (RAINN)**'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 **Rape, Abuse & Incest National Network (RAINN)**'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.

*Aprilo, LLP*

Rockville, Maryland  
November 14, 2024

## Rape, Abuse & Incest National Network (RAINN)

### Statements of Financial Position

<i>May 31,</i>	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 703,263	\$ 849,401
Investments	29,220,153	27,194,193
Pledges receivable	141,483	450,238
Accounts receivable	1,267,140	802,033
Prepaid expenses and deposit	422,519	375,234
Property and equipment, net	2,254,711	1,569,275
Right-of-use assets - operating leases	3,047,521	3,540,474
<b>Total assets</b>	<b>\$ 37,056,790</b>	<b>\$ 34,780,848</b>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 2,181,456	\$ 1,588,400
Deferred revenue	174,103	126,935
Lease liabilities - operating leases	3,724,420	4,289,878
<b>Total liabilities</b>	<b>6,079,979</b>	<b>6,005,213</b>
<b>Net assets</b>		
Net assets without donor restrictions	30,534,524	28,147,494
Net assets with donor restrictions	442,287	628,141
<b>Total net assets</b>	<b>30,976,811</b>	<b>28,775,635</b>
<b>Total liabilities and net assets</b>	<b>\$ 37,056,790</b>	<b>\$ 34,780,848</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

## Rape, Abuse & Incest National Network (RAINN)

### Statements of Activities and Changes in Net Assets

<i>Years Ended May 31,</i>	2024	2023
<b>Revenues and support</b>		
Consulting service fees	\$ 12,276,168	\$ 9,244,787
Contributions	4,421,035	4,224,898
Federal grants	738,265	1,134,349
Contributed services and gifts-in-kind	1,675,653	2,391,943
Other revenue	29,654	15,227
Investment income	3,090,933	389,604
Net assets released from restrictions	5,591,117	6,055,696
<b>Total revenues and support</b>	<b>27,822,825</b>	<b>23,456,504</b>
<b>Expenses</b>		
Programs	22,069,363	19,452,658
Management and general	1,385,469	761,142
Fundraising	1,980,963	1,824,168
<b>Total expenses</b>	<b>25,435,795</b>	<b>22,037,968</b>
<b>Total change in net assets without donor restrictions</b>	<b>2,387,030</b>	<b>1,418,536</b>
<b>Change in net assets with donor restrictions</b>		
Contributions	5,405,263	5,448,504
Net assets released from restrictions	(5,591,117)	(6,055,696)
<b>Total change in net assets with donor restrictions</b>	<b>(185,854)</b>	<b>(607,192)</b>
<b>Total change in net assets</b>	<b>2,201,176</b>	<b>811,344</b>
<b>Net assets, beginning of year</b>	<b>28,775,635</b>	<b>27,964,291</b>
<b>Net assets, end of year</b>	<b>\$ 30,976,811</b>	<b>\$ 28,775,635</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

**Rape, Abuse & Incest National Network (RAINN)**

**Statement of Functional Expenses**

<i>Year Ended May 31, 2024</i>	Communications	Consulting Services	Public Policy	Victims Services	Total Programs	Fundraising	Management and General	Total
Salaries	\$ 1,306,218	\$ 1,690,786	\$ 497,188	\$ 10,266,256	\$ 13,760,448	\$ 1,084,919	\$ 715,997	\$ 15,561,364
Taxes - payroll	106,211	132,897	40,654	875,401	1,155,163	80,558	57,054	1,292,775
Employee benefits	164,515	186,376	38,556	832,724	1,222,171	88,655	130,755	1,441,581
Accounting	6,852	8,569	2,462	52,613	70,496	5,893	3,447	79,836
Bank and credit card fees	782	4,671	275	6,680	12,408	60,504	374	73,286
Conferences	27,130	31,146	11,569	36,626	106,471	4,241	7,255	117,967
Contractors and consultants	209,392	89,857	154,709	637,769	1,091,727	90,562	275,638	1,457,927
Credit losses	-	-	-	-	-	-	9,525	9,525
Depreciation and amortization	23,127	26,217	8,767	154,874	212,985	17,142	13,887	244,014
Equipment	13,097	16,536	4,862	100,402	134,897	10,610	7,147	152,654
Internet hosting	50,219	74,329	18,826	388,636	532,010	41,608	27,115	600,733
Legal	14,089	77,392	1,345,493	107,523	1,544,497	11,707	7,842	1,564,046
Liability insurance	12,846	38,870	3,772	71,491	126,979	7,642	3,297	137,918
Occupancy expense	51,049	66,610	19,451	425,175	562,285	42,831	26,835	631,951
Postage	31,131	7,087	662	9,424	48,304	1,801	1,044	51,149
Printing	16,935	227	111	36,112	53,385	322	78	53,785
Public education/awareness	569,429	8,334	23,799	123,124	724,686	269,396	8,742	1,002,824
Software	66,456	59,501	27,026	326,299	479,282	118,922	26,991	625,195
State registration fees/other taxes	-	154	16,756	-	16,910	14,797	80	31,787
Supplies	2,721	2,150	643	10,106	15,620	2,801	5,160	23,581
Telephone	10,575	16,284	3,417	70,555	100,831	7,456	4,921	113,208
Travel	32,103	39,297	15,446	10,962	97,808	18,596	52,285	168,689
<b>Total</b>	<b>\$ 2,714,877</b>	<b>\$ 2,577,290</b>	<b>\$ 2,234,444</b>	<b>\$ 14,542,752</b>	<b>\$ 22,069,363</b>	<b>\$ 1,980,963</b>	<b>\$ 1,385,469</b>	<b>\$ 25,435,795</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

**Rape, Abuse & Incest National Network (RAINN)**

**Statement of Functional Expenses**

<i>Year Ended May 31, 2023</i>	Communications	Consulting Services	Public Policy	Victims Services	Total Programs	Fundraising	Management and General	Total
Salaries	\$ 917,622	\$ 1,479,228	\$ 504,204	\$ 7,679,548	\$ 10,580,602	\$ 908,549	\$ 360,755	\$ 11,849,906
Taxes - payroll	74,099	117,877	40,774	639,931	872,681	73,447	26,564	972,692
Employee benefits	103,237	152,793	34,335	630,340	920,705	68,269	27,961	1,016,935
Accounting	5,284	8,555	3,180	47,252	64,271	4,806	1,650	70,727
Bank and credit card fees	7,376	14,758	4,134	62,357	88,625	68,296	3,253	160,174
Conferences	7,046	11,264	4,757	63,461	86,528	9,424	8,193	104,145
Contractors and consultants	373,099	216,588	219,693	1,115,304	1,924,684	266,436	250,600	2,441,720
Depreciation and amortization	11,655	19,745	5,730	98,949	136,079	10,219	5,007	151,305
Equipment	15,910	17,679	6,151	91,751	131,491	10,894	4,383	146,768
Internet hosting	28,232	53,775	14,804	225,482	322,293	27,726	10,672	360,691
Legal	38,021	20,005	1,111,374	114,360	1,283,760	21,742	4,614	1,310,116
Liability insurance	4,681	39,189	2,498	39,674	86,042	4,432	1,763	92,237
Occupancy expenses	49,921	79,832	28,568	420,834	579,155	47,976	15,433	642,564
Postage	41,549	1,336	496	6,815	50,196	2,574	5,376	58,146
Printing	5,234	114	431	24,204	29,983	2,149	89	32,221
Public education/awareness	1,693,072	617	40,412	38,197	1,772,298	172,266	946	1,945,510
Software	51,308	42,800	27,214	196,526	317,848	81,860	13,047	412,755
State registration fees/other taxes	-	-	19,604	-	19,604	18,330	180	38,114
Supplies	895	690	229	3,221	5,035	908	1,078	7,021
Telephone	13,532	21,362	6,242	95,071	136,207	11,248	4,503	151,958
Travel	8,427	15,049	18,227	2,868	44,571	12,617	15,075	72,263
<b>Total</b>	<b>\$ 3,450,200</b>	<b>\$ 2,313,256</b>	<b>\$ 2,093,057</b>	<b>\$11,596,145</b>	<b>\$ 19,452,658</b>	<b>\$ 1,824,168</b>	<b>\$ 761,142</b>	<b>\$ 22,037,968</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.



## Rape, Abuse & Incest National Network (RAINN)

### Statements of Cash Flows

<i>Years Ended May 31,</i>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 2,201,176	\$ 811,344
<b>Adjustments to reconcile change in net assets to net cash (used) provided by operating activities</b>		
Depreciation and amortization	244,014	151,305
Unrealized and realized gains on investments	(3,168,128)	(389,263)
Donated investments	(15,142)	(42,906)
<b>(Increase) decrease in</b>		
Pledges receivable	308,755	(155,418)
Accounts receivable	(465,107)	60,367
Prepaid expenses and deposit	(47,285)	(150,896)
Right-of-use assets - operating leases	492,953	476,639
<b>Increase (decrease) in</b>		
Accounts payable and accrued expenses	593,056	455,484
Deferred revenue	47,168	(171,961)
Lease liabilities - operating leases	(565,458)	(532,436)
<b>Net cash (used) provided by operating activities</b>	<b>(373,998)</b>	<b>512,259</b>
<b>Cash flows from investing activities</b>		
Purchase of investments	(7,062,715)	(6,206,359)
Proceeds from sale of investments	8,220,025	5,030,340
Purchase of property and equipment	(929,450)	(279,105)
<b>Net cash provided (used) by investing activities</b>	<b>227,860</b>	<b>(1,455,124)</b>
<b>Net change in cash and cash equivalents</b>	<b>(146,138)</b>	<b>(942,865)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>849,401</b>	<b>1,792,266</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 703,263</b>	<b>\$ 849,401</b>
<b>Supplemental non-cash investing and financing activities</b>		
Donated investments	\$ 15,142	\$ 42,906

The accompanying Notes to Financial Statements are an integral part of these financial statements.

# Rape, Abuse & Incest National Network (RAINN)

## Notes to Financial Statements

### 1. Organization and significant accounting policies

**Organization:** Rape, Abuse & Incest National Network (RAINN) (the Organization) was organized for the charitable and educational purposes of establishing and maintaining the National Sexual Assault Hotline and other services for victims; educating the public about sexual assault; and improving the criminal justice response to sexual violence. As a Voluntary Health and Welfare organization, RAINN provides direct services for victims of sexual assault. RAINN is located and operates in Washington, D.C.

**Basis of accounting:** The financial statements of RAINN have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Basis of presentation:** Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions and reported as follows:

Net assets without donor restrictions - net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - net assets subject to donor-imposed stipulations as to time or purpose of use or net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by the actions of RAINN. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions on the Statements of Activities and Changes in Net Assets. Net assets with donor restrictions for purpose and time were \$442,287 and \$628,141 as of May 31, 2024 and 2023, respectively.

**Cash and cash equivalents:** RAINN considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. RAINN maintains cash balances at one commercial bank, that can exceed the Federal Deposit Insurance Corporation (FDIC) insured deposit limit of \$250,000 per financial institution. At May 31, 2024 and 2023, RAINN's cash balances held at the commercial bank exceeded the FDIC limit by approximately \$513,000 and \$559,000, respectively. Management does not believe that this results in any significant credit risk. RAINN has not experienced any losses through the date when the financial statements were available to be issued.

**Investments:** Investments consist of money market funds, common stock, exchange traded and close-end funds, and mutual funds, which are stated at fair value based on published market values, and common stock – structured investments which are valued at fair value utilizing quoted prices for similar assets in active markets. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

# Rape, Abuse & Incest National Network (RAINN)

## Notes to Financial Statements

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**Pledges receivable:** Pledge receivables are comprised of federal and nonfederal receivables. RAINN records pledges in the period which they are promised or when expenses are incurred for federal programs. Unconditional promises to give are recorded as contributions when received. The allowance for doubtful accounts reflects the best estimate of probable losses determined principally on the basis of historical experience and specific allowances for known troubled accounts. All accounts or portions thereof that are deemed to be uncollectible or that require an excessive collection cost are written off to the allowance for doubtful accounts. Management believes the balance to be fully collectible, therefore no allowance for uncollectible pledges has been recorded.

**Accounts receivable:** Accounts receivable for contracts are recorded when expenses are incurred, or services or milestones are achieved for programs. The allowance for doubtful accounts reflects the best estimate of probable losses determined principally on the basis of historical experience and specific allowances for known troubled accounts. All accounts or portions thereof that are deemed to be uncollectible or that require an excessive collection cost are written off to the allowance for doubtful accounts. Management believes this balance is fully collectible and therefore no allowance for doubtful accounts is deemed necessary.

**Property and equipment:** Property and equipment are recorded at the original cost and are depreciated on a straight-line basis over estimated lives of three to five years with a capitalization policy of \$5,000. Leasehold improvements to property are recorded at cost and are amortized over the lesser of the useful life or the remaining term of the lease.

# Rape, Abuse & Incest National Network (RAINN)

## Notes to Financial Statements

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**Leases:** As of June 1, 2022, RAINN adopted Accounting Standards Codification 842, *Leases*, (ASC 842). For operating leases with initial lease terms greater than 12 months, operating lease right-of-use assets (ROU) and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. ROU assets also include adjustments related to lease payments made and lease incentives received at or before the commencement date. The ROU asset resulting from operating leases is disclosed as right-of-use assets – operating lease and the related liability is included in operating lease liabilities in the Statements of Financial Position. At lease commencement, lease liabilities are recognized based on the present value of the remaining lease payments and discounted using the risk-free rate. Operating lease cost is recognized on a straight-line basis over the lease term as occupancy in the accompanying Statements of Functional Expenses. Lease and non-lease components of office lease agreements are accounted for as a single component. Lease terms may include options to extend or terminate the lease when it is reasonably certain that RAINN will exercise that option. RAINN determines if an arrangement is a lease at inception. All leases are recorded on the Statements of Financial Position except for leases with an initial term less than 12 months for which RAINN made the short-term lease election.

### **Revenue recognition:**

RAINN recognizes revenue in accordance with Accounting Standards Codification 606, *Revenue from Contracts with Customers* (“ASC 606”). The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The five-step model is outlined below:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

**Consulting service fees** – RAINN has contracts with customers to provide hotline and consulting services. Revenue from the contracts is recognized over time as the services are provided. Receivables related to service fee contracts was \$1,267,140 and \$802,003 as of May 31, 2024 and 2023, respectively, and was \$862,400 as of June 1, 2022. Funds received in advance are contract liabilities and are shown as deferred revenue on the accompanying Statements of Financial Position. Deferred revenue related to service fee contracts was \$174,103 and \$126,935 as of May 31, 2024 and 2023, respectively, and was \$298,896 as of June 1, 2022.

# Rape, Abuse & Incest National Network (RAINN)

## Notes to Financial Statements

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The transaction price for service fees is generally fixed with no significant forms of variable consideration. Most of RAINN's contracts have components or other tasks that are considered distinct and are executed independently of one another. In these cases, RAINN has accounted for each task as a separate performance obligation. The transaction price is allocated to the multiple performance obligations using a stand-alone selling price which is based on a cost-plus margin approach.

RAINN generally recognizes revenue over time for each performance obligation and uses a variety of input and output methods. Outputs can be based upon trainings or certain other defined deliverables or, in some cases, time increments. Inputs are typically based on labor cost or hours inputs.

**Contract costs** – Contract fulfillment costs include the direct cost of labor and supplies. RAINN does not incur significant incremental costs to acquire contracts. Costs are expensed as they are incurred.

**Sales of merchandise** – RAINN sells shirts, key-chains, and other small merchandise items which include its logo or program message. Revenues from merchandise are recognized at the time of sale.

The following revenue streams are outside the scope of ASC 606:

**Contributions** – RAINN recognizes all unconditional contributions received as income in the period in which the commitment is made. Contributions are reported as with or without donor restrictions depending on the absence or existence of donor stipulations that limit the use of the contributions.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions.

Conditional contributions are recognized as revenue when the conditions on which they depend are substantially met. There were no balances of conditional pledges not yet earned from non-federal sources as of May 31, 2024 and 2023, respectively. Amounts received in advance of conditions being met are recorded as deferred revenue. As of May 31, 2024 and 2023 there was no deferred revenue related to conditional contributions.

# Rape, Abuse & Incest National Network (RAINN)

## Notes to Financial Statements

**Federal grants** – Revenue from federal grants is considered a conditional contribution where revenue is not recorded until qualifying expenses are incurred and is recognized in amounts equal to total qualifying expenditures made during the period for the purposes specified by the grant. Amounts received in advance are recorded in deferred revenue, and revenue associated with expenditures incurred prior to receiving reimbursement are recorded as pledges receivable. Balances of conditional pledges not yet earned for federal grants total \$1,914,137 and \$652,433 as of May 31, 2024 and 2023, respectively.

**Contributed services and gifts-in-kind** – RAINN receives contributed legal assistance, media, web hosting, and technology services. Gifts-in-kind that can be used or sold are measured at fair value and recognized as contributions when received. Contributed services are those that can create or enhance a nonfinancial asset or require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated. These services are reported at their estimated fair value based on donor provided detail of the market value of services provided. These contributions were also expensed and reported by function on the Statements of Functional Expenses. See Note 10.

**Functional allocation of expenses:** The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs, detailed in the Statements of Functional Expenses, have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

Expenses that are allocated include the following:

<u>Expenses</u>	<u>Method of Allocation</u>
Bank and credit card fees	Time and effort by department
Contractors and consultants	Time and effort by department
Depreciation and amortization	Time and effort by department
Employee benefits	Time and effort by department
Internet hosting	Time and effort by department
Liability insurance	Time and effort by department
Occupancy expenses	Time and effort by department
Postage	Time and effort by department
Printing	Time and effort by department
Software	Time and effort by department
Travel	Time and effort by department

# Rape, Abuse & Incest National Network (RAINN)

## Notes to Financial Statements

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**Cash flow classification of donated financial assets:** Cash receipts from the sale of donated securities with no donor-imposed restrictions are included in the operating section of the Statements of Cash Flows, while cash receipts from the sale of donated securities with donor-imposed long-term restrictions are classified as financing activities. Otherwise, receipts from the sale of donated financial assets are classified as cash flows from investing activities.

**Tax status:** RAINN is exempt from federal income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying financial statements.

RAINN evaluates uncertainty in income tax positions based on a more-likely-than-not recognition standard. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. As of May 31, 2024 and 2023, there are no accruals for uncertain tax positions. If applicable, RAINN records interest and penalties as a component of income tax expense. Tax years from 2021 through the current year remain open for examination by tax authorities.

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

**Recently adopted accounting pronouncements:** In June 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326), or CECL, which prescribes an impairment model for most financial instruments based on expected losses rather than incurred losses. Under this model, an estimate of expected credit losses over the contractual life of the instrument is to be recorded as of the end of a reporting period as an allowance to offset the amortized cost basis, resulting in a net presentation of the amount expected to be collected on the financial instrument. For most instruments, entities must apply the standard using a cumulative-effect adjustment to beginning net assets as of the beginning of the fiscal year of adoption.

The adoption of CECL resulted in no material cumulative effect adjustment recorded in net assets as of June 1, 2023. Financial assets and liabilities held by the Organization subject to the “expected credit loss” model prescribed by CECL include trade and other receivables as well as contract assets.

# Rape, Abuse & Incest National Network (RAINN)

## Notes to Financial Statements

**Subsequent events:** Management has evaluated subsequent events for disclosure in these financial statements through November 14, 2024, which is the date the financial statements were available to be issued.

### 2. Liquidity and availability of resources

The table below presents financial assets available for general expenditures within one year at May 31:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 703,263	\$ 849,401
Investments	29,220,153	27,194,193
Pledges receivable	141,483	450,238
Accounts receivable	1,267,140	802,033
<b>Total resources available</b>	<b>31,332,039</b>	<b>29,295,865</b>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(442,287)	(628,141)
<b>Financial assets available to meet general expenditures over the next twelve months</b>	<b>\$ 30,889,752</b>	<b>\$ 28,667,724</b>

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity including cash and cash equivalents, marketable debt and equity securities, and contributions with and without donor restrictions. The Organization considers all expenditures related to its ongoing activities of supporting the Organization's mission, fundraising and administration to be general expenditures. The Organization strives to maintain liquid financial assets sufficient to cover at least six months of general expenditures.

### 3. Program descriptions

**Victims Services:** RAINN created and operates the National Sexual Assault Hotline, which is available by phone (800.656.HOPE) and online in English ([online.RAINN.org](https://www.rainn.org)) and Spanish ([RAINN.org/es](https://www.rainn.org/es)). RAINN also operates Safe Helpline, a service for members of the U.S. military affected by sexual assault, through a contract with the Department of Defense. RAINN works closely with more than 1,000 local sexual assault service providers to offer confidential support services, available 24/7, to survivors across the country.



# Rape, Abuse & Incest National Network (RAINN)

## Notes to Financial Statements

**Communications:** RAINN educates the public about sexual violence and works with national media and the entertainment industry to elevate sexual violence storylines and reach millions of households across the country. RAINN also operates [RAINN.org](http://RAINN.org) and social media platforms to provide information about sexual violence, connect people to support, and engage with communities about these issues. Through outreach to communities through a national speakers bureau of nearly 4,000 survivors, and other community partnerships, RAINN is able to mobilize the public to play a role in prevention and recovery.

**Public Policy:** RAINN works at the federal and state levels to improve the criminal justice system, prevent sexual assault, and ensure justice for survivors. RAINN develops and promotes public policy changes that make communities safer and support survivors. RAINN also leads the national effort to end the rape kit backlog and reform state statutes of limitations laws.

**Consulting Services:** RAINN works with clients across the public, private, and nonprofit sectors to develop targeted, effective sexual assault education and response programs. RAINN offers a variety of specialized consulting services to meet each organization's unique needs, including hotline services, program assessments, and education and training.

#### 4. Pledges receivable

As of May 31, 2024 and 2023, RAINN's pledges receivable are comprised of conditional contributions receivable and other unconditional pledges which totaled \$141,483 and \$450,238, respectively. All pledges receivable are due in less than one year and therefore no discount calculation is deemed necessary.

#### 5. Investments

The following is a summary of RAINN's investments as of May 31:

	2024	2023
Money market funds	\$ -	\$ 63,364
Common stock	107,898	85,183
Common stock – structured investments	3,877,923	3,073,180
Exchange traded and close-end funds	7,919,426	13,181,965
Mutual funds – fixed income, preferred securities and equities	17,314,906	10,790,501
<b>Total investments</b>	<b>\$ 29,220,153</b>	<b>\$ 27,194,193</b>

# Rape, Abuse & Incest National Network (RAINN)

## Notes to Financial Statements

### 6. Fair value

RAINN values certain assets in accordance with a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1. Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little or no market data, which require the entity to develop its own assumptions.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The fair value of RAINN's investments is as follows:

May 31, 2024	Total	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock	\$ 107,898	\$ 107,898	\$ -	\$ -
Common stock – structured investments	3,877,923	-	3,877,923	-
Exchange traded and close-end funds	7,919,426	7,919,426	-	-
Mutual funds – fixed income, preferred securities and equities	17,314,906	17,314,906	-	-
<b>Total</b>	<b>\$29,220,153</b>	<b>\$ 25,342,230</b>	<b>\$ 3,877,923</b>	<b>\$ -</b>

# Rape, Abuse & Incest National Network (RAINN)

## Notes to Financial Statements

May 31, 2023	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 63,364	\$ 63,364	\$ -	\$ -
Common stock	85,183	85,183	-	-
Common stock – structured investments	3,073,180	-	3,073,180	-
Exchange traded and close-end funds	13,181,965	13,181,965	-	-
Mutual funds – fixed income, preferred securities and equities	10,790,501	10,790,501	-	-
<b>Total</b>	<b>\$27,194,193</b>	<b>\$ 24,121,013</b>	<b>\$ 3,073,180</b>	<b>\$ -</b>

Level 2 values for common stock - structured investments were developed utilizing quoted prices for similar assets in markets without active trading volumes.

### 7. Property and equipment

Property and equipment consist of the following at May 31:

	2024	2023
Furniture and equipment	\$ 325,745	\$ 325,745
Software	2,150,764	1,221,315
Leasehold improvements	845,008	845,008
Total property and equipment	3,321,517	2,392,068
Less: Accumulated depreciation and Amortization	(1,066,806)	(822,793)
<b>Total property and equipment, net</b>	<b>\$ 2,254,711</b>	<b>\$ 1,569,275</b>

Depreciation and amortization expense for the years ended May 31, 2024 and 2023 was \$244,014 and \$151,305 respectively.

# Rape, Abuse & Incest National Network (RAINN)

## Notes to Financial Statements

### 8. Operating lease

In accordance with ASC 842, RAINN evaluates current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent RAINN's right to use underlying assets for the lease term, and the lease liabilities represent RAINN's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, under the operating leases, were calculated based on the present value of future lease payments over the lease terms. The weighted-average discount rate applied to calculate lease liabilities as of May 31, 2024 and 2023, was 3%. As of May 31, 2024 and 2023, the weighted-average remaining lease term for the Organization's operating leases was approximately 5.5 and 6.5 years, respectively.

RAINN is obligated, as lessee, under a non-cancelable operating lease for office space in Washington, D.C. The lease commenced on January 1, 2013 and will end on November 30, 2029 (including extensions) with fixed annual increases of 2.5% during the lease term.

For each of the years ended May 31, 2024 and 2023, total operating lease cost was \$613,130.

Cash paid for operating leases for the year ended May 31, 2024 and 2023 was \$685,634 and \$668,927, respectively. There were no noncash investing and financing transactions related to leasing.

Future maturities of the lease obligation under non-cancellable leases as of May 31, 2024 are as follows:

Year Ending May 31,	Total
2025	\$ 702,758
2026	716,104
2027	728,006
2028	746,206
2029	764,861
Thereafter	391,176
Total	4,049,111
Less: imputed interest	(324,691)
<b>Lease liabilities – operating</b>	<b>\$ 3,724,420</b>

# Rape, Abuse & Incest National Network (RAINN)

## Notes to Financial Statements

**9. Concentration of revenue** The contract with the Department of Defense comprises 39% and 31% of total revenue for the fiscal years ended May 31, 2024 and 2023, respectively and contributions from one donor made up 18% and 22% of total revenue for the fiscal years ended May 31, 2024 and 2023, respectively. One contract made up 73% and 75% of the accounts receivable balance as of May 31, 2024 and 2023, respectively. One donor made up 94% and 96% of total pledges receivable as of May 31, 2024 and 2023, respectively.

**10. Contributed services and gifts-in-kind** Contributed services and gifts-in-kind consisted of the following for the years ended May 31:

	2024	2023
Legal	\$ 1,369,591	\$ 1,104,506
Public education services	157,524	1,101,475
Other	148,538	185,962
<b>Total</b>	<b>\$ 1,675,653</b>	<b>\$ 2,391,943</b>

**11. Net assets with donor restrictions** Net assets with donor restrictions are available for the following purposes at May 31:

	2024	2023
Temporary purpose restrictions		
Victim Services	\$ 429,172	\$ 620,641
Public Policy	5,000	7,500
Temporary time restrictions	8,115	-
<b>Total net assets with donor Restrictions</b>	<b>\$ 442,287</b>	<b>\$ 628,141</b>

**12. Related party transactions** RAINN entered into a contracting agreement with A&I Publishing for their services to RAINN. A&I Publishing is wholly owned by the President of RAINN. During the years ended May 31, 2024 and 2023, RAINN incurred expenses of \$589,688 and \$547,456, respectively, under this agreement. In addition, RAINN reimbursed A&I Publishing approximately \$12,233 and \$14,793 for the years ended May 31, 2024 and 2023, respectively, for costs incurred by A&I Publishing on behalf of RAINN. The amount due to A&I Publishing as of May 31, 2024 and 2023 was \$123,699 and \$99,389, respectively, which is included in accounts payable and accrued expenses on the accompanying Statements of Financial Position.

# Rape, Abuse & Incest National Network (RAINN)

## Notes to Financial Statements

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**13. Collective bargaining agreement**

Approximately 7% and 8% of the Organization's employees are covered by a collective bargaining agreement as of May 31, 2024 and 2023, respectively. The agreement was renewed June 1, 2020 and expires May 31, 2025.