
University of Richmond

**Consolidated Financial Statements, the
Schedule of Expenditures of Federal Awards,
and Audit of Federal Awards Performed in
Accordance with Title 2 U.S. Code of Federal
Regulations Part 200, Uniform Administrative
Requirements, Cost Principles, and Audit
Requirements of Federal Awards**

June 30, 2025

With Independent Auditors' Report Thereon



KPMG LLP
750 East Pratt Street, 18th Floor
Baltimore, MD 21202

Independent Auditors' Report

The Board of Trustees
University of Richmond:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of University of Richmond (the University), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 *consolidated* 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 consolidated 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 the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the *consolidated* financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University'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.

Report on Summarized Comparative Information

We have previously audited the University's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 14, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2025 on our consideration of the University'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 the University's 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 the University's internal control over financial reporting and compliance.

KPMG LLP

Baltimore, Maryland
October 13, 2025

Consolidated Statement of Financial Position

As of June 30, 2025

With comparative financial information as of June 30, 2024

(in thousands)

	2025	2024
Assets		
Cash and cash equivalents	\$ 144,714	146,314
Pledges receivable, net	1,475	3,308
Investments	3,465,721	3,227,716
Beneficial interest in perpetual trusts	36,408	34,162
Other assets, net	32,939	28,456
Property, plant and equipment, net	379,756	377,527
Total assets	\$ 4,061,013	3,817,483
Liabilities		
Accounts payable and other liabilities	\$ 75,826	63,806
Postretirement benefits obligation	13,658	13,508
Notes payable	303,335	306,036
Interest rate swap agreements	7,170	6,133
Total liabilities	399,989	389,483
Net assets		
Without donor restrictions	1,807,416	1,728,680
With donor restrictions	1,853,608	1,699,320
Total net assets	3,661,024	3,428,000
Total liabilities and net assets	\$ 4,061,013	3,817,483

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Activities

For the year ended June 30, 2025

With summarized comparative financial information for the year ended June 30, 2024

(in thousands)

	2025			2024 Total
	Without donor restrictions	With donor restrictions	Total	
Operating revenues				
Tuition and fees (net of scholarship allowance of \$110,894 and \$103,728)	\$ 134,796	—	134,796	129,582
Grants and contracts	3,429	—	3,429	4,243
Contributions	11,750	5,646	17,396	14,926
Investment return, net	153,116	—	153,116	150,277
Auxiliary enterprises	49,138	—	49,138	46,928
Other sources	25,136	—	25,136	25,099
Net assets released from restrictions	437	(437)	—	—
Total operating revenues	377,802	5,209	383,011	371,055
Operating expenses				
Instruction	132,098	—	132,098	109,307
Research	3,984	—	3,984	4,660
Public service	3,884	—	3,884	4,241
Academic support and libraries	53,234	—	53,234	66,265
Student services	77,903	—	77,903	68,807
Institutional support	72,815	—	72,815	61,953
Auxiliary enterprises	50,345	—	50,345	56,926
Total operating expenses	394,263	—	394,263	372,159
Change in net assets from operating activities	(16,461)	5,209	(11,252)	(1,104)
Nonoperating activities				
Contributions	—	11,304	11,304	11,218
Investment return, net	110,531	122,322	232,853	73,147
Change in fair value of interest rate swap agreements	(1,037)	—	(1,037)	2,321
Change in postretirement benefits	(258)	768	510	2,863
Other nonoperating activities, net	(14,055)	14,701	646	(3,388)
Net assets released from restrictions	16	(16)	—	—
Change in net assets from nonoperating activities	95,197	149,079	244,276	86,161
Change in net assets	78,736	154,288	233,024	85,057
Net assets at beginning of year	1,728,680	1,699,320	3,428,000	3,342,943
Net assets at end of year	\$ 1,807,416	1,853,608	3,661,024	3,428,000

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended June 30, 2025

With comparative financial information for the year ended June 30, 2024

(in thousands)

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 233,024	85,057
<i>Adjustments to reconcile change in net assets to net cash used in operating activities</i>		
Depreciation	35,372	35,700
Net unrealized and realized gains on investments	(383,452)	(236,374)
Settlement activity for rate of return agreement	14,843	(19,670)
Amortization of note premiums	(446)	—
Contributions restricted for purchase of property and equipment	(1,647)	(100)
Contributions restricted for endowment	(11,304)	(10,747)
Change in fair value of interest rate swap agreements	1,037	(2,321)
Change in assets and liabilities that provide (use) cash:		
Pledges receivable, net	1,833	2,327
Beneficial interest in perpetual trusts	(2,246)	(2,570)
Other assets, net	(4,483)	15,485
Accounts payable and other liabilities	(2,823)	(16,688)
Postretirement benefits obligation	150	(2,601)
Net cash used in operating activities	(120,142)	(152,502)
Cash flows from investing activities		
Proceeds from sales of investments	1,237,107	924,213
Purchases of investments	(1,091,661)	(762,155)
Purchases of property, plant and equipment	(37,600)	(43,989)
Net cash provided by investing activities	107,846	118,069
Cash flows from financing activities		
Contributions restricted for purchase of property and equipment	1,647	100
Contributions restricted for endowment	11,304	10,747
Repayment of notes payable	(2,255)	(4,650)
Proceeds from issuance of notes payable	—	113,786
Refunding of notes payable	—	(60,798)
Net cash provided by financing activities	10,696	59,185
Net change in cash and cash equivalents	(1,600)	24,752
Cash and cash equivalents at beginning of year	146,314	121,562
Cash and cash equivalents at end of year	\$ 144,714	146,314
Supplemental disclosure		
Cash paid for interest on notes payable and interest rate swap agreements	\$ 6,870	9,007
Cash paid for income taxes	5,704	5,375
Change in accounts payable related to property, plant and equipment	(2,668)	5,846

See accompanying notes to the consolidated financial statements.

1 Organization & Summary of Significant Accounting Policies

Organization

The University of Richmond (the University) is a private institution of higher education located in Richmond, Virginia that provides a collaborative learning and research environment to students and professionals through a combination of liberal arts, law, business, leadership studies and continuing education.

These statements also include the activities of the University's related entities, the most significant of which is Spider Management Company, LLC (SMC), a wholly controlled affiliate of the University, that provides investment research, advice, counsel and management with respect to the University's endowment assets. The Richmond Fund Management Company, LLC (RFMC), a wholly controlled affiliate of SMC, is the general partner of the Richmond Fund, LP (Richmond Fund) and is managed by SMC's Board of Managers. The Richmond Fund is an investment limited partnership that provides a vehicle for unaffiliated 501(c) organizations to achieve investment returns that mirror the investment returns of the University's endowment. Richmond Fund is not included in the consolidated financial statements.

Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP). Significant inter-entity balances and transactions have been eliminated in consolidation.

The assets and liabilities in the consolidated statement of financial position are presented in order of liquidity with the exception of investments, which have certain components that are considered short term and others that are considered long term.

The University classifies revenues earned and expenses incurred related to its core missions of teaching, research, scholarship and service, and investment returns made available for current use as operating revenues or expenses in the consolidated statement of activities. All other activities, including contributions restricted by donors or designated for longer term use by the Board of Trustees (the Board), are shown as a component of nonoperating activities.

Net Asset Classes

The accompanying consolidated financial statements present information regarding the University's financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions.

With Donor Restrictions

Net assets that are subject to donor restrictions that expire through the passage of time or can be fulfilled or removed by actions pursuant to those restrictions.

Cash and Cash Equivalents

Cash equivalents with an original maturity of three months or less at date of purchase are reported as cash and cash equivalents in the accompanying consolidated statement of financial position. Cash equivalents held by investment custodians or managers are reported within investments in the accompanying consolidated financial statements. These investments are not considered cash equivalents for purposes of the consolidated statement of cash flows. At June 30, 2025 and 2024, \$8.2 million and \$34.4 million, respectively, of cash and cash equivalents consist of the unexpended proceeds related to notes payable issued in March 2024 (see Note 6). These funds are invested in short-term, highly liquid securities which will be used for construction of certain facilities or payment of interest.

Investments

Investments are recorded at fair value in the consolidated statement of financial position. In determining fair value, the University uses various methods.

Investments in stocks, bonds and other fixed income securities are valued based upon quoted prices in active markets, if available. If the market is inactive, fair value is determined by underlying fund managers and reviewed by the University after considering various sources of information.

For investments made directly by the University whose values are based on quoted market prices in active markets, the market price of the investment is used to report fair value. The University's interests in alternative investment funds are reported at the net asset value (NAV) as a practical expedient for fair value reported by the fund managers. Unless it is probable that all or a portion of the investment will be sold for an amount other than NAV, the University has concluded, as a practical expedient, that the NAV approximates fair value. Investments in real assets consist primarily of investment funds which invest in real estate and real asset partnerships, as well as mortgages held by the University.

Investments are exposed to several risks, including interest rate, currency, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Investment transactions are accounted for on a trade date basis. Dividend income or expense is recognized on the ex-dividend date and interest income is recognized on the accrual basis. Realized gains and losses are determined by the specific identification method for investments in investment funds and average cost for investments in securities.

Investment return, including realized and unrealized gains and losses, is recognized when earned and reported in the consolidated statement of activities net of related investment expenses. Investment return is reported in the consolidated statement of activities as increases or decreases in net assets without donor restrictions or net assets with donor restrictions, until amounts have been appropriated and the donor-imposed or legal time restrictions have been satisfied.

Fair Value Measurements

The University measures certain assets and liabilities that are recognized in the accompanying consolidated financial statements at fair value. The University determines fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The levels of the hierarchy are defined as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities traded in active markets.

Level 2

Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and other market-corroborated inputs.

Level 3

Inputs to the valuation methodology are unobservable for the asset or liability and are significant to the fair value measurement.

Derivative Instruments

Certain derivative instruments, such as interest rate swap agreements, are used by the University. The University recognizes all derivative instruments as either assets or liabilities in the consolidated statement of financial position at their respective fair value. Changes in fair value of derivatives are recognized as a change in net assets without donor restrictions in the consolidated statement of activities.

The fair value of interest rate swap agreements is determined using pricing models based on the Secured Overnight Financing Rate (SOFR) and other unobservable market data. The value was determined after considering the potential impact of collateralization and netting agreements, and adjusted to reflect nonperformance risk of both the counterparty and the University.

Property, Plant and Equipment

Property, plant and equipment consisting of land, improvements, buildings, equipment and library books are stated at cost, if purchased, or estimated fair value at the date of gift, net of accumulated depreciation. Depreciation is calculated using the straight-line method based on estimated useful lives of 30 to 50 years for buildings, 10 to 20 years for improvements, 5 to 10 years for equipment, and 10 years for library books.

Collections

The University's collections of historically significant artifacts, scientific specimens and art objects are held for education, research, scientific inquiry, and public exhibition. Their value is not reflected in the University's consolidated financial statements, as permitted by U.S. GAAP.

Revenue Recognition

Tuition and Fees

Student tuition and fees are recorded as revenue during the academic term that the related academic services are rendered. Student tuition and fees received in advance of services rendered are considered deferred revenue and reported within accounts payable and other liabilities in the consolidated statement of financial position. Payments for tuition are typically due the first Monday in August for the Fall semester, first Monday in December for the Spring term, and the first date of each respective summer term. Undergraduate tuition and fees represent 88.6% of total gross tuition and fees.

The University offers several summer terms where revenue is recognized ratably over each summer term. Summer tuition revenue recognized was \$3.0 million for the year ended June 30, 2025. Summer tuition revenue deferred was \$1.1 million as of June 30, 2025.

Institutional scholarships are awarded to students to defray the costs of academic programs, which reduce the amount of revenue recognized. Scholarships awarded to students for the years ended June 30, 2025 and 2024 were \$110.9 million and \$103.7 million, respectively.

Contributions

Contributions of cash and other assets, including unconditional pledges, are recorded as revenue based upon any donor-imposed restrictions, on the date of the donor's commitment or gift. Contributions whose restrictions are met in the same fiscal year as their receipt are reported as contribution revenue without donor restrictions. Contributions of other assets are recorded at estimated fair value at the date of gift. Unconditional pledges are recorded at estimated present value at the date of the commitment, which approximates fair value, net of an allowance for uncollectible amounts. Conditional pledges are not recognized as revenue until such time as the conditions are substantially met. As of June 30, 2025, the University had no conditional pledges.

Auxiliary Enterprises

The University's auxiliary enterprises are managed as self-supporting activities. Auxiliaries consist primarily of food services, housing, and bookstore operations. Auxiliary revenues are recognized over the academic term or at the point of sale for bookstore operations.

Tax Status

The University is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the Code). As such, the University is exempt from Federal income taxes to the extent provided under Section 501 of the Code.

The Tax Cuts and Jobs Act of 2017 (TCJA) imposed an excise tax on certain net investment income and revised rules for unrelated business taxable income. The

University is subject to these provisions and has recorded estimates for related taxes in its consolidated financial statements.

On July 4, 2025, Congress enacted the "One Big Beautiful Bill" (the Act), which modifies the TCJA excise tax by revising the definition of net investment income and establishing a new tiered structure. These changes are effective for the University's fiscal year ending June 30, 2027. The University is currently evaluating the impact of the Act on future tax provisions.

Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Comparative Financial Information

The consolidated financial statements include certain prior year information presented for comparative purposes, which does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the University's consolidated financial statements as of and for the year ended June 30, 2024, from which this information was derived.

Subsequent Events

The University has evaluated subsequent events for potential recognition or disclosure in the June 30, 2025 consolidated financial statements through October 13, 2025, the date the consolidated financial statements were issued.

2 Endowment

At June 30, 2025, the University's endowment consisted of approximately 1,570 individual funds, established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the University's Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The University has interpreted the Commonwealth of Virginia's enacted version of the Uniform Prudent Management of Institutional Funds Act (the Act) as allowing the University to appropriate for expenditure or accumulate so much of an endowment fund as the University determines is prudent for the uses, purposes, and durations for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument.

In accordance with the Act, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration, purposes and preservation of the funds;
2. General economic conditions including inflation and deflation;
3. The expected total return from income and the appreciation of investments;
4. Other resources of the University;
5. The University's investment policies.

Spending Policy

The University's spending policy was developed with the objectives of meeting the current operating needs of the University, providing year-to-year budget stability and protecting the future purchasing power of the endowment assets against the impact of inflation.

The University's annual endowment spending distribution is determined each year based on the sum of a two-part, spending formula:

Market-value based component

This component is calculated by determining the average endowment market value at June 30 for the preceding five years, lagged by one year, and multiplying that calculated amount by five percent (5%). Thirty percent (30%) of this

calculated amount is included in the determination of the annual spend from the endowment.

Spending component

This component is calculated by increasing or decreasing seventy percent (70%) of the prior year's calculated endowment spending distribution by an inflation factor, using a five-year average of the Higher Education Price Index, as published by the Commonfund.

Return Objectives and Risk Parameters

The University has adopted investment and spending policies for endowment assets that attempt to maintain the purchasing power of the endowment assets in perpetuity and achieve investment returns sufficient to sustain the level of spending necessary to support ongoing University operations. The primary investment objective is to earn an average annual real total return of at least 5% per year over the long term. Actual returns in any given year may vary from this amount. A secondary objective is to outperform, over the long term, a blended policy benchmark based on the current asset allocation policy. A third objective is to rank in the top quartile of the National Association of College and University Business Officers' reported endowment returns.

Strategies Employed for Achieving Objectives

To satisfy the return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield. The University's asset allocation policy provides a diversified strategic mix of asset classes which emphasizes investments in equity and fixed income securities, hedge funds, private equity, real assets, real estate funds, and cash and produces the highest expected investment return within a prudent risk framework.

Underwater Endowment Funds

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or the Act requires the University to retain as a fund of perpetual duration. The University has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations. As of June 30, 2025, there were no significant deficiencies of this nature.

Endowment Net Assets as of June 30 (in thousands)

	2025		Total
	Without donor restrictions	With donor restrictions	
Board designated endowment funds	\$ 1,700,219	—	1,700,219
<i>Donor-restricted endowment funds</i>			
Historical gift value	—	456,861	456,861
Accumulated gains	—	1,300,502	1,300,502
Beneficial interest in perpetual trusts	—	36,408	36,408
Total endowment net assets	\$ 1,700,219	1,793,771	3,493,990

	2024		Total
	Without donor restrictions	With donor restrictions	
Board designated endowment funds	\$ 1,598,486	—	1,598,486
<i>Donor-restricted endowment funds</i>			
Historical gift value	—	441,205	441,205
Accumulated gains	—	1,171,236	1,171,236
Beneficial interest in perpetual trusts	—	34,162	34,162
Total endowment net assets	\$ 1,598,486	1,646,603	3,245,089

Changes in Endowment Net Assets (in thousands)

	2025			2024 Total
	Without donor restrictions	With donor restrictions	Total	
Beginning endowment net assets	\$ 1,598,486	1,646,603	3,245,089	3,150,033
Investment return, net	187,202	194,297	381,499	227,154
Contributions	10	11,949	11,959	12,215
Board designated funds transfer	—	—	—	4,000
Appropriated for expenditure	(71,713)	(73,002)	(144,715)	(147,319)
Reinvested endowment income	—	—	—	4,328
Other adjustments	(13,766)	13,924	158	(5,322)
Ending endowment net assets	\$ 1,700,219	1,793,771	3,493,990	3,245,089

3 Investments and Other Fair Value Measurements

Fair Value Measurements

The following tables show the estimated fair value of University investments as of June 30.

Fair Value of Investments by Level as of June 30 (in thousands)					
Investments	Level 1	Level 2	2025		Total
			Level 3	NAV	
Cash and cash equivalents	\$ 62,094	—	—	—	62,094
Corporate bonds & other fixed income	99,218	—	—	—	99,218
Common stock and preferred stock	129,826	—	—	—	129,826
Commingled funds	3,254	—	—	—	3,254
<i>Alternative investments</i>					
Absolute return	—	—	—	578,064	578,064
Public equity	—	—	—	892,407	892,407
Private equity	—	—	—	1,262,052	1,262,052
Real assets	—	—	—	438,806	438,806
Total investments	\$ 294,392	—	—	3,171,329	3,465,721

Investments	Level 1	Level 2	2024		Total
			Level 3	NAV	
Cash and cash equivalents	\$90,161	—	—	—	90,161
Corporate bonds & other fixed income	87,525	—	—	—	87,525
Common stock and preferred stock	1,446	—	—	—	1,446
Commingled funds	2,903	—	—	—	2,903
<i>Alternative investments</i>					
Absolute return	—	—	—	619,390	619,390
Public equity	—	—	—	916,198	916,198
Private equity	—	—	—	973,622	973,622
Real assets	—	—	—	536,471	536,471
Total investments	\$ 182,035	—	—	3,045,681	3,227,716

Alternative Investments Information as of June 30, 2025 (in thousands)				
Alternative investments	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Absolute return	\$ 578,064	128,579	Monthly to annually	45 – 150 days
Public equity	892,407	1,532	Quarterly to rolling 3-year	30 - 90 days
Private equity	1,262,052	425,722	N/A	N/A
Real assets	438,806	119,216	N/A	N/A
	\$ 3,171,329	675,049		

Redemptions

Of the investments reported at NAV, approximately \$723 million were redeemable at June 30, 2025, subject to the redemption notice period. It is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to inherent uncertainty of fair value in secondary markets, such estimates of fair value may differ from values that would have been applied had a readily

available market existed, and those differences could be material. It is possible that if the University were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and that discount could be significant.

Beneficial Interest in Perpetual Trusts

The University is the beneficiary of certain perpetual trusts held and administered by outside trustees. These trust interests are reported at fair value, based on the

value of the underlying assets, which approximates the present value of future income from these trusts. As such, these assets fall within level 3 of the hierarchy of fair value inputs, with changes resulting from net investment return of \$2.2 million. Distributions from these trusts are recorded as investment return designated for current operations.

Derivatives

The University has four fixed interest rate swap agreements to convert variable interest rates on notes payable to fixed rates without exchanging the underlying principal amounts. These liabilities fall within level 3 of the hierarchy of fair value inputs. The University anticipates holding the interest rate swap agreements until maturity. The interest rate received under each agreement is

calculated at 68% of the one-month SOFR, which was 4.45% at June 30, 2025.

Certain University derivative instruments contain provisions requiring that long-term, unsecured debt be maintained at specified credit ratings from Moody's Investor Service and Standard and Poor's Rating Service. If the ratings of the University's debt were to fall below certain benchmarks, the counterparty could request collateral on derivatives in net liability positions. During the year ended June 30, 2025, the University's long-term debt ratings exceeded these benchmarks. No collateral was required to be posted related to the University's interest rate swap agreements during the year ended June 30, 2025.

Derivatives as of June 30 (in thousands)					
Interest rate swap agreements	Rate Paid	Notional Amount	Fair Value Liability		Change in Fair Value
			2025	2024	
March 1, 2029	3.778%	\$ 25,000	\$ (1,217)	(980)	(237)
June 1, 2031	3.744	30,000	(2,128)	(1,734)	(394)
August 1, 2034	4.000	25,000	(2,770)	(2,470)	(300)
November 1, 2036	3.744	10,000	(1,055)	(949)	(106)
			\$ (7,170)	(6,133)	(1,037)

4 Property, Plant and Equipment

Property, plant, and equipment, as shown in the consolidated statement of financial position,

consisted of the following as of June 30:

Property, Plant and Equipment as of June 30 (in thousands)		
	2025	2024
Land	\$ 5,932	5,932
Buildings	661,226	654,927
Improvements	73,399	67,043
Equipment	83,211	83,226
Library books	20,697	23,375
Construction in progress	63,508	39,044
	907,973	873,547
Accumulated depreciation	(528,217)	(496,020)
	\$ 379,756	377,527

5 Notes Payable

The University issued tax-exempt revenue bonds through the Virginia College Building Authority and taxable notes through a private placement with New York Life Insurance and Annuity Corporation. Proceeds were used to refinance existing debt as well as to construct, equip, or improve several capital projects on campus.

In November 2024, the University paid the scheduled \$2.25 million payment on the VCBA 2006 Series Bonds.

In March 2024, the University issued tax exempt bonds through the VCBA with a par value of \$100.5 million at an interest rate of 5%, maturing in 2054. The bonds were sold at a premium of \$13.2 million, resulting in an effective yield of 4.4%. These notes payable bear interest of 5%,

with principal payments due in installments from 2027 through 2044 and again from 2049 through 2054 with the final installment due in 2054. The proceeds were used to refund the Series 2012 bonds as well as for the construction and renovation of certain projects on the University's campus.

As of June 30, 2025, the University has unspent Series 2024 bond project funds of \$8.2 million. These amounts are invested in short-term cash equivalents and are recorded in cash and cash equivalents on the Statement of Financial Position.

Principal balances, including unamortized premium amounts, were as follows as of June 30:

Notes Payable as of June 30 (in thousands)	2025	2024
Tax-exempt fixed-rate		
Series 2024, 5%, final maturity in 2054	\$ 113,340	113,786
Tax-exempt variable-rate¹		
Series 2004, 3.07%, final maturity in 2035	46,000	46,000
Series 2006, 2.86%, final maturity in 2037	48,995	51,250
Taxable fixed-rate		
Series 2015, 3.60%, final maturity in 2046	40,000	40,000
Series 2020, 2.95%, final maturity in 2051	55,000	55,000
	\$ 303,335	306,036

¹Variable rates for Series 2004 and Series 2006 notes reset weekly and daily, respectively. Interest rates shown reflect averages for the year ended June 30, 2025.

Repayments of Notes Payable for Years Ended June 30 (in thousands)		
Years ending June 30:		
2026	\$	6,140
2027		3,240
2028		3,400
2029		3,575
2030		3,750
Thereafter		270,435
		290,540
Unamortized premium		12,795
	\$	303,335

The University has standby credit facilities to enable the University to repurchase tendered variable-rate debt in the event of a failed remarketing. Two diversified facilities totaling \$95.0 million are available to the University solely for this purpose and may not be used for the operating or capital needs of the University. Both facilities terminate in December 2025. There were no draws against these standby credit facilities for the year ended June 30, 2025. The University has a one-year revolving credit facility in the amount of \$75.0 million to support timing differences

within the operating cash portfolio. Interest on drawn amounts is calculated as the rate per year equal to Daily SOFR plus 0.80%. Any unused outstanding credit balance incurs a fee of 0.125% annually. There was no outstanding balance against this facility as of June 30, 2025.

Interest expense on notes payable, including amortization of premiums on notes payable and the cost of standby credit facilities of \$0.1 million, was \$11.4 million for the year ended June 30, 2025.

6 Retirement Plans and Postretirement Benefits

The University has contributory defined contribution retirement annuity plans for academic and nonacademic employees. Contributions are based on a percentage of the employee's salary. The University contributed \$14.8 million into these plans for the year ended June 30, 2025.

The University sponsors defined benefit health care plans that provide postretirement medical benefits to full time employees who meet minimum age and service requirements. These plans, which are closed to new participants, are not funded.

The University utilizes a measurement date of June 30. Net actuarial loss and prior service cost not yet recognized as a component of net periodic postretirement costs were \$0.8 million at June 30, 2025. At June 30, 2025 and 2024,

the weighted average annual assumed rate of increase in the per capita cost of covered benefits was 6.9% and 7.2%, respectively, and is assumed to decrease gradually to 4.0% by the year 2048 and remain at that level thereafter. At June 30, 2025 and 2024 the weighted average discount rate used in determining the accumulated postretirement benefit obligation was 5.5% and 5.6%, respectively.

For the nontaxable federal subsidy related to the postretirement benefit plan drug benefit, the University has determined actuarial equivalence of its plans. Therefore, the accumulated benefit obligation and the net periodic benefit cost reflect a reduction arising from this subsidy.

Changes in Postretirement Benefits Obligation (in thousands)

	2025	2024
Accrued postretirement benefits obligation at beginning of year	\$ 13,508	16,109
Service cost	397	528
Interest cost	724	830
Benefits paid	(1,148)	(1,201)
Actuarial loss (gain)	177	(2,758)
Accrued postretirement benefits obligation at end of year	\$ 13,658	13,508

Net Periodic Postretirement Benefit Cost (in thousands)

	2025	2024
Service cost	\$ 397	528
Interest cost	724	830
Amortization of unrecognized net loss	—	105
	\$ 1,121	1,463

Estimated Future Benefit Payments for Years Ended June 30 (in thousands)

2026	\$ 1,136
2027	1,138
2028	1,092
2029	1,098
2030	1,106
2031 – 2035	5,964

7 Composition of Net Assets

Net assets without donor restrictions include board-designated endowments that are used to support general operations. Within the donor-restricted endowments

category, other programming consists of endowments restricted for specific programmatic purposes, including instruction; library support and materials; and athletics.

Composition of Net Assets as of June 30 (in thousands)		
	2025	2024
Without donor restrictions		
Board-designated endowments	\$ 1,700,219	1,598,486
Other net assets without donor restrictions	107,197	130,194
Total without donor restrictions	1,807,416	1,728,680
With donor restrictions		
<i>Donor-restricted endowments:</i>		
Scholarships and fellowships ¹	787,657	849,744
Professorships	302,751	229,006
Other programming	703,363	567,853
Split-interest agreements	14,328	12,300
Purpose restricted and other	45,509	40,417
Total with donor restrictions	1,853,608	1,699,320
	\$ 3,661,024	3,428,000

¹During fiscal year 2025, certain endowments were reclassified from Scholarships and fellowships to Other programming to more accurately reflect donor intent and purpose restrictions. These reclassified endowments continue to be used, in part, to support scholarships and fellowships.

8 Expenses

The composition of expenses for the year ended June 30, 2025 is as follows:

Operating Expenses for the Year Ended June 30, 2025 (in thousands)					
	Compensation and benefits	Materials and supplies	Services and other	Interest and depreciation	Total
Instruction	\$ 103,869	3,328	18,535	6,366	132,098
Research	2,088	364	764	768	3,984
Public service	2,030	169	772	913	3,884
Academic support and libraries	24,046	7,397	8,612	13,179	53,234
Student services	43,795	4,332	20,663	9,113	77,903
Institutional support	49,214	3,095	18,722	1,784	72,815
Auxiliary enterprises	18,569	13,611	3,545	14,620	50,345
Total operating expenses	\$ 243,611	32,296	71,613	46,743	394,263

2024 operating expenses	\$ 225,331	35,995	64,544	46,289	372,159
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Program services are comprised of instruction, research, public service, academic support and libraries, student services, and auxiliary enterprises. Athletics expenses are included in student services. Supporting services include institutional support. Fundraising expenses of \$8.6 million are included in institutional support for the year ended

June 30, 2025. The University allocates maintenance of plant, information technology, interest, and depreciation to the program and support expenses reported in the accompanying consolidated statement of activities on a square footage basis.

9 Availability of Financial Assets for General Expenditures

Resources available to the University to fund general expenditures, such as operating expenses, interest and principal payments on debt, and internally funded capital construction, have seasonal variations related to the timing of tuition billings, receipt of gifts and pledge payments, and transfers from the endowment. The University actively manages its resources, utilizing a combination of short, medium, and long-term operating

investment strategies, to align its cash inflows with anticipated outflows, in accordance with policies approved by the Board. As further described in Note 6, the University may draw upon a revolving credit facility to manage cash flows. At June 30, 2025, existing financial assets and liquidity resources available within one year were as follows:

Availability and Liquidity Resources for General Expenditures at June 30, 2025 (in thousands)	
<i>Financial assets available for general expenditures within one year</i>	
Cash and cash equivalents	\$ 52,040
Operating investments	99,218
<i>Liquidity resources</i>	
Revolving credit facility	75,000

Additionally, the University has \$1.7 billion in board-designated endowments, of which \$723.3 million can be liquidated within one year; however, no liquidation is

anticipated. The Board has approved fiscal year 2025 spending from the endowment, which is estimated to be \$160.3 million.

10 Related Party Transactions

All members of the Board of Trustees, its officers, and senior administrators are required to disclose annually any information about possible conflicts of interest affecting the University, including personal interests, or interests of family members and organizations in which the individual has either a significant management position or ownership interest.

Management fees earned by RFMC from the Richmond Fund during the year ended June 30, 2025 were \$14.7 million, shown in other sources on the consolidated statement of activities, of which \$3.7 million was due from RFMC.

On January 28, 2008, the University entered into a blended rate of return agreement with the Richmond Fund. The purpose of the agreement is to equalize the

quarterly rate of return of the University's pooled endowment managed by SMC and the Richmond Fund's rate of return prior to fees and expenses. The agreement requires settlement of the agreement at least once a calendar year. The University anticipates holding the agreement until termination of the Richmond Fund. As of June 30, 2025 and 2024, the University has a payable to the Richmond Fund in the amount of \$9.7 million and a receivable from the Richmond Fund in the amount of \$5.1 million, respectively, which is included in accounts payable and other liabilities and other assets, respectively on the accompanying consolidated statement of financial position. The settlement value for the year ended June 30, 2025 totaled \$24.8 million, which has been recorded against investment return.

11 Contingencies and Commitments

Contingencies

From time to time, the University is involved in various legal proceedings in the normal course of operations. In management's opinion, the University is not currently involved in any legal proceedings which individually or in the aggregate could have a material effect on the financial condition, change in net assets, or liquidity of the University.

The University receives revenues under U.S. government funded grants and contracts. The ultimate determination of amounts received under these programs generally is based upon allowable costs, which are subject to audit,

and are reported to the U.S. government. Recovery of indirect costs is based on predetermined rates negotiated with the U.S. government. The University is of the opinion that adjustments, if any, arising from such audits will not have a material effect on the consolidated financial statements.

Commitments

The University is in the process of constructing, renovating and equipping certain facilities. The expected cost to complete construction in progress at June 30, 2025 was approximately \$39 million.

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2025

	AL Number	Total Expenditures	Pass-Through Entity Expenditures	Amounts Provided to Subrecipients	Identifying Number Assigned by the Pass- Through Entity
Student Financial Aid Cluster					
United States Department of Education					
Federal Supplemental Educational Opportunity Grants	84.007	\$ 452,441	—	—	
Federal Work Study Program	84.033	436,513	—	—	
Federal Pell Grant Program	84.063	3,717,859	—	—	
Federal Perkins Loan Program	84.038	552,531	—	—	
Federal Direct Student Loans	84.268	20,396,277	—	—	
Teacher Education Assistance for College & Higher Education Grants	84.379	1,886	—	—	
Student Financial Aid Cluster Total		25,527,277	—	—	
Research & Development Cluster					
US Department of Agriculture					
Plant & Animal Disease, Pest Control, & Animal Care	10.025	318,348	—	—	
Infrastructure Investment and Job Act Joint Fire Science Program	10.714	90,557	—	—	
National Park Service					
Cooperative Research and Training Programs	15.945	57,360	—	—	
Pass-Through from Virginia Commonwealth University	15.945	—	57,360	—	FP00021695_SA001
National Aeronautics Space Administration					
Science	43.001	32,324	—	—	
Pass-Through from the University of Vermont	43.001	—	32,324	—	AWD00001319SU B00000439
National Science Foundation					
Mathematical & Physical Sciences	47.049	314,602	—	—	
Biological Sciences	47.074	133,339	—	—	
Social, Behavioral, & Economic Sciences	47.075	20,501	—	—	
Education & Human Resources	47.076	157,022	—	—	
US Department of Energy					
Office of Financial Assistance Financial Program	81.049	34,774	—	—	
US Department of Health & Human Services - National Institutes of Health					
Minority Health and Health Disparity Research	93.307	11,902	—	—	
Pass-Through from Leland Stanford Junior University	93.307	—	11,902	—	63120805-137317
Research Infrastructure Programs	93.351	246,681	—	—	
Heart and Vascular Diseases	93.837	15,316	—	—	
Pass-Through from the University of St. Thomas	93.837	—	15,316	—	2020-60-01
Allergy, Immunology, & Transplantation Research	93.855	55,178	—	—	
Pass-Through to Penn State	93.855	—	—	1,950	GR00346
Pass-Through to Yale University	93.855	—	—	22,986	GR00347
Biomedical Research & Research Training	93.859	138,757	—	—	

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2025

	AL Number	Total Expenditures	Pass-Through Entity Expenditures	Amounts Provided to Subrecipients	Identifying Number Assigned by the Pass- Through Entity
Pass-Through from High Point University	93.859	—	11,094	—	A23-0012-S001
Aging Research	93.866	46,843	—	—	
Pass-Through from Regents of University of Michigan	93.866	—	46,843	—	SUBK00017247
Research & Development Cluster Total		1,673,504	174,839	24,936	
National Endowment for the Arts					
Promotion of the Arts Grants to Organizations and Individuals	45.024	27,500	—	—	
Promotion of the Arts Partnership Agreement	45.025	12,000	—	—	
Pass-Through from Mid-Atlantic Arts Foundation	45.025	—	12,000	—	2025-6409, 2025-6883
National Endowment for the Humanities					
Promotion of the Humanities Office of Digital Humanities	45.169	63,867	—	—	
US Department of Health & Human Services					
Opioid STR	93.788	21,918	—	—	
Pass-Through from Virginia Department of Behavioral Health and Development Sciences	93.788	—	21,918	—	1H79TI087780-01
Total Expenditures of Federal Awards		\$ 27,326,066	208,757	24,936	

See independent auditors' report and notes to the Schedule of Expenditures of Federal Awards.

1 Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of the University of Richmond and its affiliates (the University) for the year ended June 30, 2025. All federal awards received directly and indirectly from federal agencies are included in this Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some

amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements. Although the University is required to match certain amounts, as defined in the grant agreements, no such matching has been included in this Schedule. Because the Schedule presents only a selected portion of the operations of the University, it is not intended to, and does not, present the consolidated financial position, activities, and cash flows of the University.

2 Basis of Accounting

The accompanying Schedule is presented using the accrual basis of accounting.

Expenditures for federal student financial assistance programs are recognized as incurred and include grants to students under the Federal Pell Grant and Federal Supplemental Educational Opportunity Grant Programs, student earnings under the Federal Work Study Program, and administrative cost allowances, where applicable.

Expenditures for loans related to the Federal Direct Loan Program are reported in the Schedule when disbursed.

Expenditures for other federal awards are recognized as incurred using the cost accounting principles contained in *Uniform Guidance*. Under these cost principles, certain types of expenses are not allowable or are limited as to reimbursement.

The University has not elected to use the de minimis indirect cost rate discussed in *Uniform Guidance* Section 200.414.

3 Federal Perkins Loan Program

New loans made during the fiscal year and loans from previous fiscal years for which the University has continuing compliance requirements to adhere to related to the Federal Perkins Loan Program are reported in the Schedule.

The Federal Perkins Loan Program (Assistance Listing Number 84.038) (Perkins) is administered directly by the University and the current year loaned amount under Perkins was \$0. The total amount of Perkins loans outstanding at June 30, 2025 under the program was \$377,408 and is included in other assets in the University's

consolidated statement of financial position as of June 30, 2025. The amount of Perkins loans on the Schedule includes the outstanding loan balance as of July 1, 2024, the current year loaned amount, and administrative charges, if applicable, less any repayments made to the Federal Government. No additional loans will be made under this program as the program has been closed. The University's Federal Perkins Loan Program included outstanding loan balances of \$4.6 million, for which \$4.2 million has been remitted back to the Federal government as of June 30, 2025.

4 Federal Direct Loan Program

The University participates in the Federal Direct Loan Program (AL Number 84.268) (the Program), which includes the Federal Direct Subsidized Loan Program, the Federal Direct Unsubsidized Loan Program, and the Federal Direct PLUS Program. The Program requires the University to request cash from the U.S. Department of Education and disburse such funds.

The University is responsible only for the performance of certain administrative functions with respect to the Program, and accordingly, these loans are not included in the University's consolidated financial statements. It is not practicable to determine the balance of loans outstanding to students and former students of the University under the Program at June 30, 2025.

3 Reconciliation of Schedule to Consolidated Statement of Activities

Reconciliation of Schedule of Expenditures of Federal Awards to Consolidated Statement of Activities	
Federal grant expenditures per the Schedule (Total expenditures less loan programs)	\$ 6,377,258
Less: Federal grants considered agency transactions	(3,719,745)
Add: Nonfederal grants and contracts	722,213
Grants and contracts per Consolidated Statement of Activities	<u>\$ 3,428,725</u>



KPMG LLP
750 East Pratt Street, 18th Floor
Baltimore, MD 21202

Independent Auditors' 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*

The Board of Trustees
University of Richmond:

We have audited, in accordance with the 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, the consolidated financial statements of University of Richmond (the University), which comprise the University's consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the University'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's consolidated 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*.



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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the university's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Baltimore, Maryland
October 13, 2025



KPMG LLP
750 East Pratt Street, 18th Floor
Baltimore, MD 21202

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

The Board of Trustees
University of Richmond:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited University of Richmond's (the University) 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 the University's major federal programs for the year ended June 30, 2025. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University 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 June 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; 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 the University 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 the University'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 the University'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 the University'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 the University'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 the University'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 the University'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 the University'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 a 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 consolidated financial statements of the University as of and for the year ended June 30, 2025, and have issued our report thereon dated October 13, 2025, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Baltimore, Maryland
February 26, 2026

UNIVERSITY OF RICHMOND
Schedule of Findings and Questioned Costs
Year ended June 30, 2025

(1) Summary of Auditors' Results

- a. Type of report issued on whether the consolidated financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified**
- b. Internal control deficiencies over financial reporting disclosed by the audit of the consolidated financial statements:
 - Material weaknesses: **No**
 - Significant deficiencies: **None reported**
- c. Noncompliance material to the consolidated financial statements: **No**
- d. Internal control deficiencies over major programs disclosed by the audit:
 - Material weaknesses: **No**
 - Significant deficiencies: **None reported**
- e. Type of report issued on compliance for major programs: **Unmodified**
- f. Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **No**
- g. Major programs:
 - Student Financial Assistance Cluster – various Assistance Listing numbers
- h. Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000**
- i. Auditee qualified as a low-risk auditee: **Yes**

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

None

(3) Findings and Questioned Costs Relating to Federal Awards

None