Missouri Southern State University (A Component Unit of the State of Missouri)

Independent Auditor's Report and Financial Statements

June 30, 2026 and 2025

Missouri Southern State University
(A Component Unit of the State of Missouri)
Contents
June 30, 2026 and 2025

Independent Auditor's Report 1

Management's Discussion and Analysis 4

Financial Statements

Statements of Net Position 14

Missouri Southern Foundation – Statements of Financial Position 16

Statements of Revenues, Expenses, and Changes in Net Position 17

Missouri Southern Foundation – Statements of Activities

Year Ended June 30, 2026 18

Year Ended June 30, 2025 19

Missouri Southern Foundation – Statements of Functional Expenses 20

Statements of Cash Flows 21

Notes to Financial Statements 23

Required Supplementary Information

Schedule of University Proportionate Share of the Net Pension Liability – Missouri State Employees' Retirement System 56

Schedule of University Pension Contributions – Missouri State Employees' Retirement System 57

Schedule of Changes in the University's Total OPEB Liability and Related Ratios 58

Forvis Mazars, LLP
910 E. St. Louis Street
Springfield, MO 65806
P 417.865.8701 | F 417.865.0682
forvismazars.us

Independent Auditor's Report

Board of Governors
Missouri Southern State University
Joplin, Missouri

Opinion

We have audited the financial statements of the business-type activities and the discretely presented component unit of Missouri Southern State University (the "University"), collectively a component unit of the state of Missouri, as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Missouri Southern State University, as of June 30, 2026 and 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Missouri Southern Foundation, the discretely presented component unit of the University. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Missouri Southern Foundation, is based solely on the report of the other auditors.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the University adopted Governmental Accounting Standards Board Statement No. 103, *Financial Reporting Model Improvements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Forvis Mazars, LLP

Springfield, Missouri
November 10, 2026

Overview

Missouri Southern State University (University) is a four-year public institution of higher education and a component unit of the State of Missouri. MSSU has a long and rich history of excellence in academics, student services and community service. Located in Southwest Missouri on a beautiful 373-acre campus, MSSU fulfills its mission by educating students of all ages and socioeconomic backgrounds.

Missouri Southern State University offers more than 100 majors and degree options. The University offers nine graduate degrees. Our extensive distance-learning program allows flexibility to our students.

Faculty and staff at MSSU work diligently to provide their students with a successful academic experience. A diverse student body adds to the outstanding higher education offered at MSSU where quality academic programs, modern state-of-the-art facilities, immersive learning opportunities, small classes and excellent, accessible professors complete the unique community.

The curriculum at Missouri Southern State University focuses on professional orientation and is committed to preparing students for a successful career in a rapidly changing global economy. Programs begin with general education requirements for all students leading to bachelor's degrees and providing a solid foundation for lifelong study.

Academic Programs

The academic programs at the University are organized under three colleges: College of Arts and Sciences, College of Business, Communication and Technology and College of Health, Life Sciences and Education. Each college has varied degree programs that offer extensive opportunities. MSSU also has strong programs in Honors and Global Education.

Management Discussion and Analysis

This Management's Discussion and Analysis (MD&A) provides an objective and understandable overview of the University's financial activities for the fiscal years ended June 30, 2026, 2025, and 2024. It should be read together with the financial statements and accompanying notes. Information about the Missouri Southern Foundation, a discretely presented component unit, is identified separately when relevant.

The University implemented Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*, for the fiscal year ended June 30, 2026. Accordingly, this MD&A is organized around the five required topics: Overview of the Financial Statements, Financial Summary, Detailed Analyses, Significant Capital Asset and Long-Term Financing Activity and Currently Known Facts, Decisions, or Conditions.

Executive Summary

Fiscal year 2026 reflected continued strengthening of the University's financial position. Total net position increased by $16.5 million, driven primarily by continued investment in capital assets, strong philanthropic support and state funding for strategic construction initiatives. Major projects, including the Roy Blunt Health Science Innovation Center, advanced significantly during the year, while long-term debt obligations continued to decline through scheduled repayments.

The University maintained a stable financial foundation despite challenges related to enrollment trends, rising employee benefit costs and increasing operating expenses. State appropriations remained an important source of support and improved retention rates demonstrate continued progress toward student success objectives.

Overview of the Financial Statements

The University's basic financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. They report the University as a business-type activity and include the following:

- **Statement of Net Position.** Presents assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at fiscal year-end. Changes in these balances provide indicators of the University's financial position and capacity to meet current and future obligations.

- **Statement of Revenues, Expenses and Changes in Net Position.** Presents operating and nonoperating revenues and expenses, other changes in net position and the resulting annual change in net position. State appropriations, gifts, investment income and certain grants are generally reported as noncapital subsidies under applicable accounting standards.

- **Statement of Cash Flows.** Presents cash receipts and payments classified as operating, noncapital financing, capital and related financing and investing activities.

- **Notes to the Financial Statements.** Provides additional information regarding significant accounting policies, deposits and investments, capital assets, leases and subscription-based information technology arrangements, long-term obligations, pensions, other postemployment benefits, commitments and contingencies.

Financial Summary

Statement of Net Position

The following table summarizes the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2026, 2025, and 2024:

Statement of Net Position, End of Year (In Millions)

	2026	2025	2024
ASSETS			
Current Assets	$ 27.4	$ 31.0	$ 29.4
Capital Assets – Net	180.0	161.5	143.0
Other Noncurrent Assets	5.7	10.9	8.0
Total Assets	213.1	203.4	180.4
Deferred Outflows of Resources	10.0	12.4	12.8
Total Assets and Deferred Outflows of Resources	$ 223.1	$ 215.8	$ 193.2
LIABILITIES			
Current Liabilities	$ 11.7	$ 15.1	$ 10.0
Noncurrent Liabilities	112.1	115.3	119.6
Total Liabilities	123.8	130.4	129.6
Deferred Inflows of Resources	2.3	4.9	6.8
Net Position			
Net investment in capital assets	125.9	105.0	84.1
Restricted	4.8	8.7	2.2
Unrestricted	(33.7)	(33.2)	(29.5)
Total Net Position	97.0	80.5	56.8
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 223.1	$ 215.8	$ 193.2

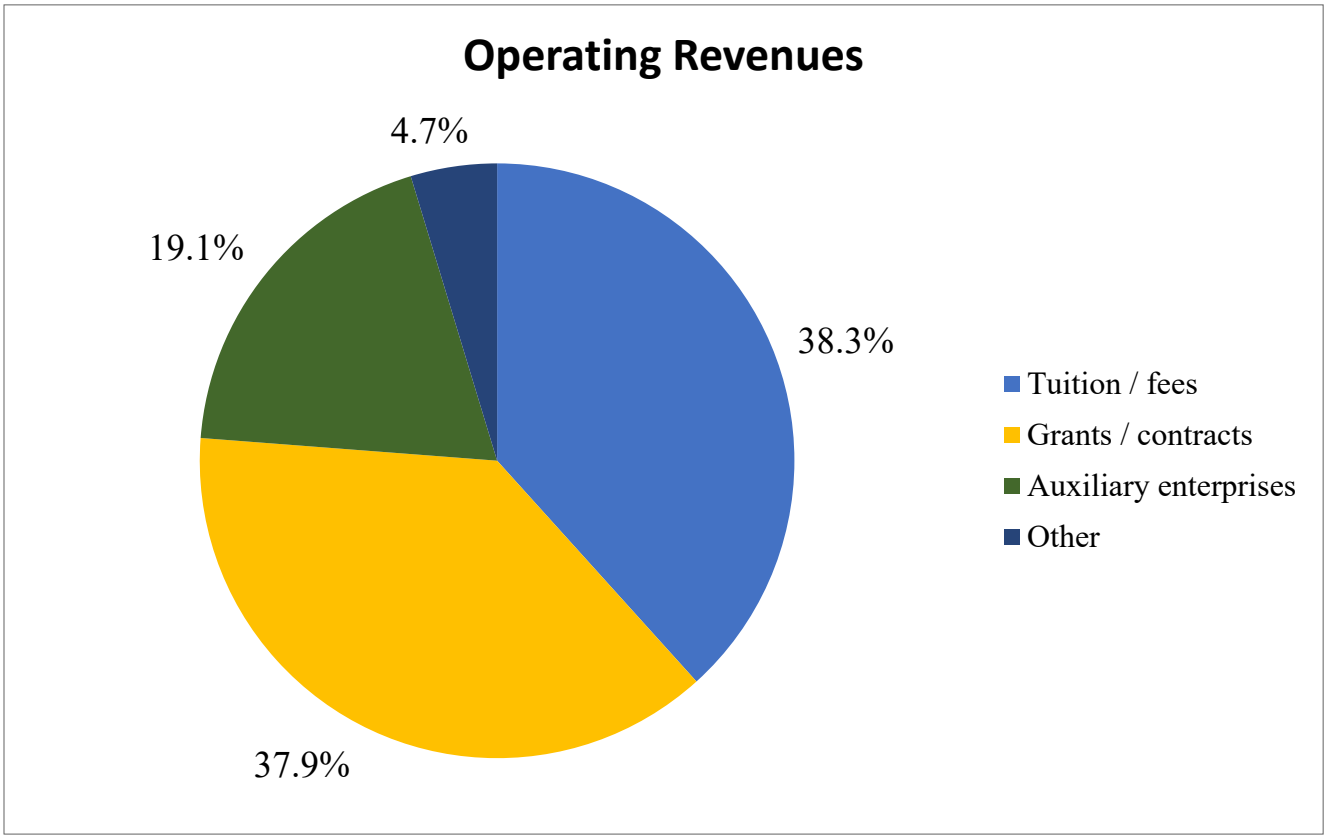
Statement of Revenues, Expenses and Changes in Net Position

The following table summarizes the University's revenues, expenses and changes in net position for the years ended June 30, 2026, 2025, and 2024:

Statement of Revenues, Expenses and Changes in Net Position (In Millions)

	2026	2025 (Restated)	2024 (Restated)
Operating Revenues			
Tuition and fees	$ 13.7	$ 13.3	$ 13.2
Grants and contracts	13.5	14.7	13.5
Auxiliary enterprises	6.8	7.3	6.9
Other	1.6	2.2	2.5
Total Operating Revenues	35.6	37.5	36.1
Operating Expenses	74.4	73.0	66.8
Operating Loss	(38.8)	(35.5)	(30.7)
Noncapital Subsidies			
State appropriations	33.0	32.5	31.9
Noncapital contributions	4.0	4.3	4.1
Total Noncapital Subsidies	37.0	36.8	36.0
Operating Income (Loss) and Noncapital subsidies	(1.8)	1.3	5.3
Other Nonoperating Revenues (Expenses)			
State capital appropriations	8.0	21.2	0.7
Federal capital appropriations	0.0	0.0	2.0
Gifts to purchase capital	11.2	2.1	1.3
Investment income	1.3	1.6	1.6
Interest expense	(2.2)	(2.4)	(2.3)
Gain (loss) on sale/disposition of capital assets	0.0	(0.1)	(0.2)
Total Nonoperating Revenues (Expenses)	18.3	22.4	3.1
Increase in Net Position	16.5	23.7	8.4
Net Position, Beginning of Year	80.5	56.8	48.4
Net Position, End of Year	$ 97.0	$ 80.5	$ 56.8

The following graph summarizes the University's operating revenues for the year ended June 30, 2026:

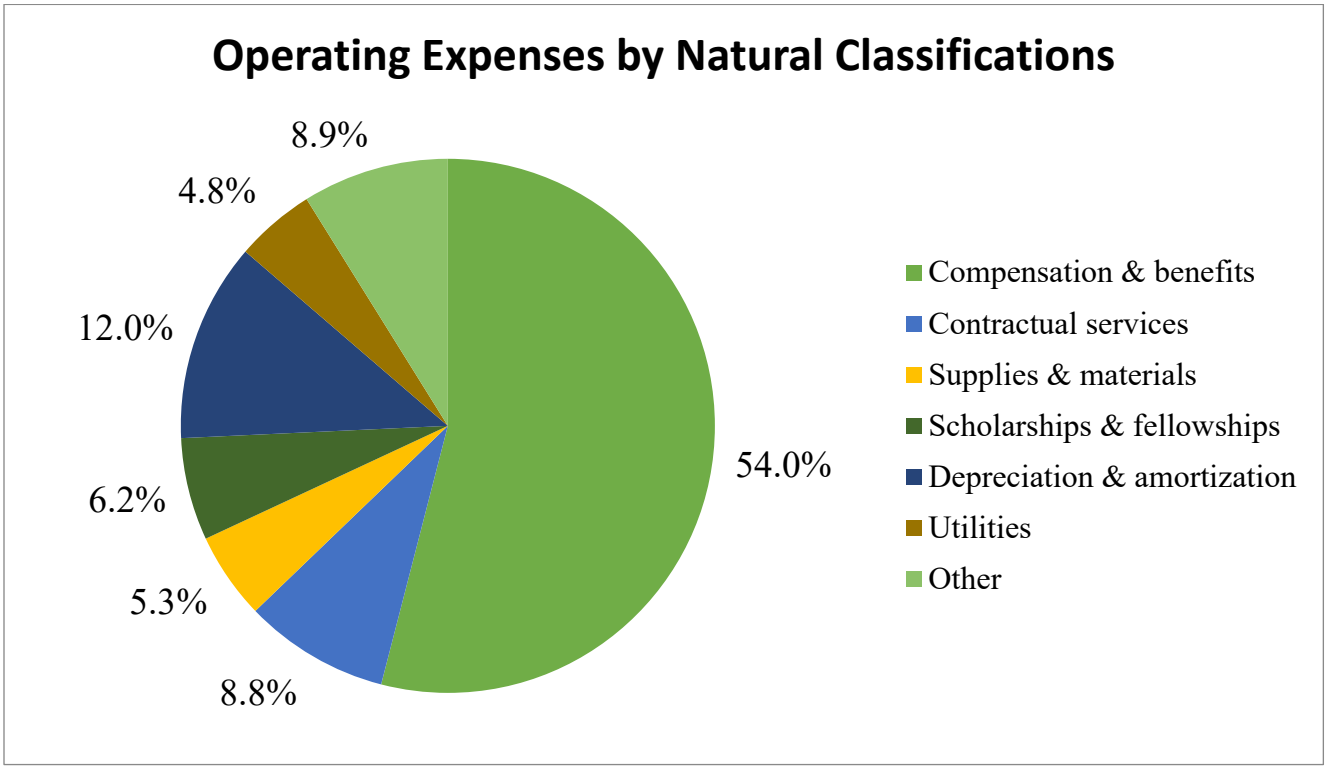


The following table summarizes the University's operating expenses by natural classifications for the years ended June 30, 2026, 2025, and 2024:

Operating Expenses (In Millions)

	2026	2025	2024
Compensation and benefits	$ 40.2	$ 37.0	$ 31.1
Contractual services	6.5	6.8	5.8
Supplies and materials	3.9	4.5	5.3
Scholarships	4.6	5.2	5.0
Depreciation and amortization	9.0	8.8	8.4
Utilities	3.6	3.3	3.5
Other	6.6	7.4	7.7
Total operating expenses	$ 74.4	$ 73.0	$ 66.8

The following graph summarizes the University's operating expenses by natural classifications for the year ended June 30, 2026:

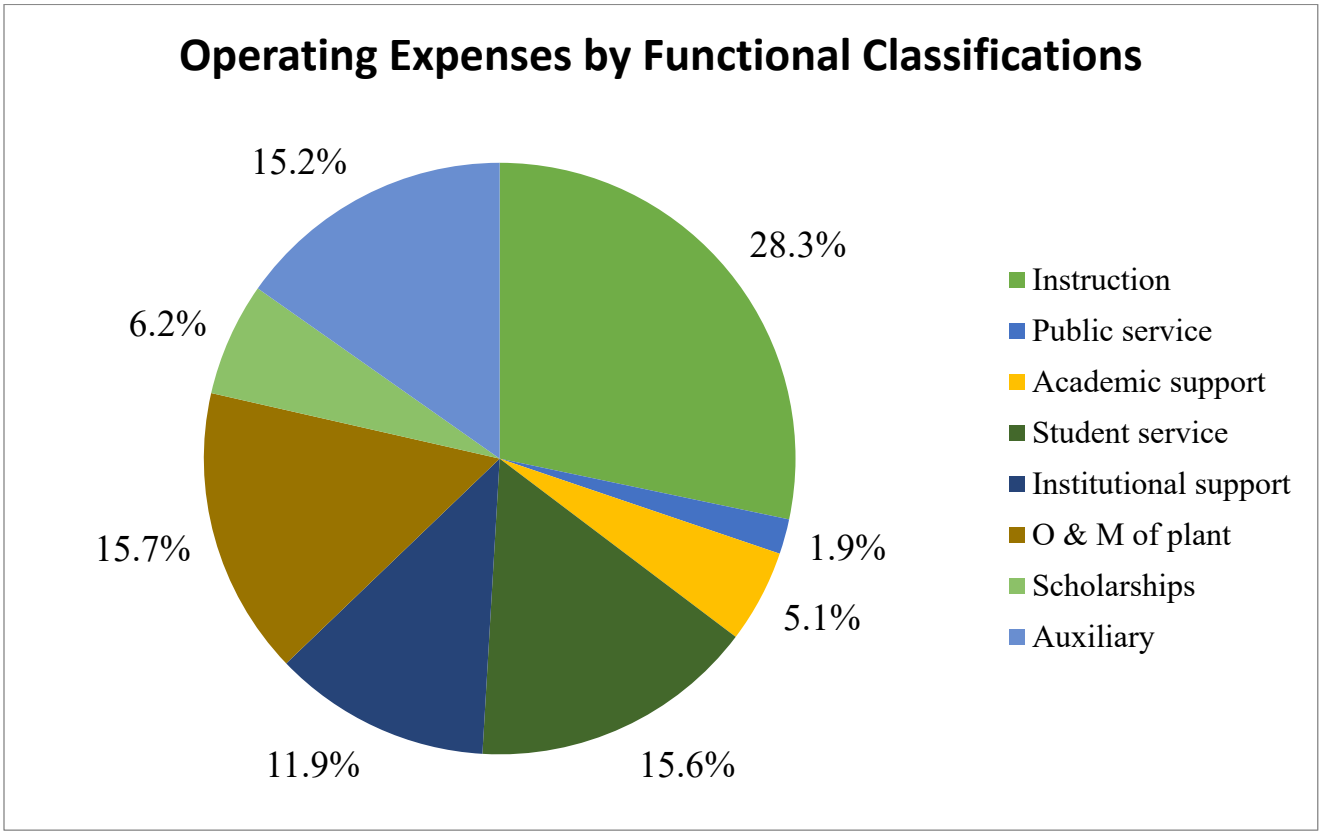


The following table summarizes the University's operating expenses by functional classifications for the years ended June 30, 2026, 2025, and 2024:

Operating Expenses by Functional Classifications (In Millions)

	2026	2025	2024
Instruction	$ 21.1	$ 20.6	$ 19.0
Public service	1.4	1.4	0.2
Academic support	3.8	3.5	2.9
Student service	11.6	11.4	9.9
Institutional support	8.9	8.5	8.1
Operations and maintenance of plant	11.7	11.2	10.6
Scholarships	4.6	5.2	4.9
Auxiliary	11.3	11.2	11.2
Total operating expenses	$ 74.4	$ 73.0	$ 66.8

The following graph summarizes the University's operating expenses by functional classifications for the year ended June 30, 2026:



Condensed Statement of Cash Flows

The following table summarizes the University's revenues, expenses and changes in net position for the years ending June 30, 2026, 2025, and 2024:

Condensed Statement of Cash Flows (in Millions)

	2026	2025 (Restated)	2024 (Restated)
Operating revenues	$ 29.2	$ 28.6	$ 26.1
Operating expense	(65.9)	(66.6)	(62.1)
Net cash used in operating activities	(36.7)	(38.0)	(36.0)
Noncapital financing activities	44.8	45.8	43.3
Capital and related financing activities	(16.1)	(3.9)	(6.9)
Investing activities	1.3	1.6	1.6
Total increase (decrease) in cash and cash equivalents	(6.7)	5.5	2.0
Cash and cash equivalents, beginning of year	32.3	26.8	24.8
Cash and cash equivalents, end of year	$ 25.6	$ 32.3	$ 26.8

Detailed Analyses

Financial Position

At June 30, 2026, the University's total net position was $97.0 million, an increase of $16.5 million (20.5%) from June 30, 2025. This improvement reflects continued investment in the University's physical infrastructure, strong philanthropic support for capital projects and ongoing management of long-term obligations. The University's financial position continues to strengthen as capital assets and net investment in capital assets increase while debt obligations decline.

Net capital assets increased by $18.5 million, primarily as a result of continued construction of the Roy Blunt Health Science Innovation Center, renovations to the Mayes Student Life Center and improvements to the Leggett and Platt Athletic Center. The University also continued to address deferred maintenance needs through investments in HVAC systems, restroom renovations and parking lot improvements. These projects support the University's long-term strategic objectives and enhance the campus environment for students, faculty and staff.

Cash and cash equivalents decreased by $6.8 million (20.9%) during the year, primarily due to planned expenditures for major capital projects and renovations. Restricted cash balances were utilized as intended to support construction activity and other approved capital improvements. Receivables declined by approximately $1.5 million, reflecting improved collection of student accounts and the timing of reimbursements from federal and state funding sources.

Total liabilities decreased during the year as the University continued its practice of making scheduled debt payments. Bonds payable decreased by approximately $1.9 million, while notes payable decreased by approximately $.5 million. These reductions demonstrate the University's commitment to maintaining a prudent long-term financing strategy while preserving future borrowing capacity. During the year, S&P Global Ratings revised the University's outlook to positive from stable, citing improving balance sheet metrics and stabilized enrollment trends.

Deferred inflows of resources decreased by approximately $2.5 million, primarily due to changes associated with pension and other postemployment benefit reporting requirements. Although unrestricted net position remains negative, this condition is largely attributable to accounting requirements associated with pension reporting under GASB Statement No. 68 rather than liquidity concerns or operating deficiencies. The University continues to maintain solid liquidity and financial resources to support ongoing operations and strategic initiatives.

Results of Operations

Operating revenues totaled $35.6 million in fiscal year 2026 compared with $37.5 million in fiscal year 2025, a decrease of 5.0%. The decline was primarily attributable to changes in enrollment, reduced federal and state student financial assistance, lower residence hall occupancy and other auxiliary activity. These decreases were partially offset by growth in certain program-specific grants and contracts.

Operating expenses increased to $74.4 million, compared with $73.0 million in fiscal year 2025, an increase of 2%. Employee compensation and benefits continue to represent the University's largest operating expense. The increase was driven primarily by salary adjustments, additional externally funded personnel, minimum wage increases and higher employee benefit costs. In addition, the Missouri State Employees' Retirement System (MOSERS) employer contribution rate increased from 28.75% to 30.25%, contributing additional cost pressures during the fiscal year.

Utility expenses increased approximately 9.4% due to both rate increases and higher overall consumption. Contractual services expenses decreased slightly from the prior year due to the completion of certain projects undertaken during fiscal year 2025. Scholarship expense decreased by $0.6 million (11.56%), primarily due to lower federal, state and international student awards, partially offset by increased graduate, transfer and athletic scholarship support.

State appropriations totaled $33.0 million, an increase of approximately 1.4% from fiscal year 2025. State operating support remains a critical funding source and continues to provide stability for the University's academic mission and student services.

The University reported significant nonoperating support for capital initiatives during fiscal year 2026. Capital gifts increased substantially as donors continued to invest in transformative campus projects, particularly the Roy Blunt Health Science Innovation Center. State capital appropriations for FY25 and FY26 reflect the state's support for the construction of the Roy Blunt Health Science Innovation Center. The University also benefited from strong community support through contributions from individuals, businesses and governmental entities throughout the region.

Interest expense decreased to $2.2 million, reflecting the continued reduction of outstanding debt obligations. The University reported no unusual or infrequent items during fiscal year 2026 as defined by GASB Statement No. 103, *Financial Reporting Model Improvements*.

Cash Flows and Liquidity

At June 30, 2026, cash and cash equivalents totaled $25.6 million, compared with $32.3 million at June 30, 2025. The decrease was primarily attributable to strategic investment in capital projects and renovations occurring throughout the year. Management continues to prioritize liquidity while advancing significant campus infrastructure initiatives.

The University's operating activities were funded by financial support from state appropriations, gifts, grants and other noncapital financing sources. Capital and related financing activities reflected substantial investment in construction, equipment, renovations and debt service. Despite these planned uses of cash, management believes available liquidity, anticipated state appropriations and expected operating revenues will allow the University to meet the University's obligations and support future strategic priorities.

Significant Capital Asset and Long-Term Financing Activity

At June 30, 2026, the University had approximately $180.0 million in net capital assets, representing a significant increase over the prior year. Growth was driven primarily by continued construction of the Roy Blunt Health Science Innovation Center, the renovation of the Mayes Student Life Center and improvements to the Leggett and Platt Athletic Center. Construction in progress totaled approximately $51.0 million at year-end and reflects the University's commitment to providing modern facilities that support student success and workforce development throughout the region.

The University continues to maintain a disciplined approach toward debt management. At June 30, 2026, outstanding bonds, notes, lease liabilities and subscription liabilities totaled $56.3 million, with $3.2 million due within the next fiscal year. The University's financing strategy focuses on preserving debt capacity, maintaining financial flexibility and ensuring compliance with debt covenants while supporting strategic capital investments.

Currently Known Facts, Decisions, or Conditions

Management is aware of the following facts, decisions, or conditions that are expected to have a significant effect on the University's financial position or results of operations in the fiscal year ending June 30, 2027:

- The University is closely monitoring student enrollment trends both locally and nationally with a focus on targeted marketing strategies, an in-depth review of institutional scholarships, enhanced recruiting efforts and improvements to retention. First to second year retention rates increased from fall 2025 (59.2%) to fall 2026 (67%). Declining nation-wide international student enrollment continues to impact overall enrollment. Graduate programs have reflected significant growth over the past few years.

- The new Roy Blunt Health Science Innovation Center, which opened to students in fall 2026 advances Missouri Southern's expanded statewide mission in global education, health and life sciences, and immersive learning. The center offers outstanding learning opportunities and continues to expand its programs to serve more students.

- The State of Missouri will need to address a budget deficit for fiscal year 2028 and there is legislative interest in a funding formula for higher education that considers varying percentages of base appropriations. Missouri public universities are working closely with government leaders to develop a funding formula that addresses multiple factors and includes a phased-in approach that would avoid sudden shifts in state support. Missouri Southern is a critical asset to the region and state and offers opportunities for students and the surrounding community.

- Compensation and operating costs are closely monitored. The University is committed to financial stewardship by diligently managing rising costs while pursuing opportunities for cost savings and evaluating new services that align with institutional priorities.

Missouri Southern State University
(A Component Unit of the State of Missouri)
Statements of Net Position
June 30, 2026 and 2025

	2026	2025
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash	$ 15,739,341	$ 19,458,444
Reserved cash	7,066,548	5,613,381
Accounts receivable, net	1,885,421	2,194,688
Federal and state receivables, net	1,519,216	2,786,790
Inventories	397,703	449,047
Deposits and prepaid expenses	768,094	534,979
Total Current Assets	27,376,323	31,037,329
Noncurrent Assets		
Restricted cash	2,746,332	7,244,320
Restricted investments	22,612	22,612
Lease receivable, net	414,101	412,998
Capital assets, net	179,973,406	161,472,447
Lease assets, net	88,995	75,477
Subscription assets, net	2,417,079	3,149,617
Total Noncurrent Assets	185,662,525	172,377,471
Total Assets	213,038,848	203,414,800
Deferred Outflows of Resources		
Loss on refunding of bonds	176,740	193,410
Deferred outflows of resources related to pensions	9,329,929	11,743,528
Deferred outflows of resources related to other postemployment benefits	580,737	447,188
Total Deferred Outflows of Resources	$ 10,087,406	$ 12,384,126

Missouri Southern State University
(A Component Unit of the State of Missouri)
Statements of Net Position
June 30, 2026 and 2025 **(Continued)**

	2026	2025
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Current Liabilities		
Accounts payable and accrued liabilities	$ 5,980,522	$ 7,627,456
Accrued compensated absences	944,127	905,110
Unearned revenue	1,505,492	1,682,199
Unearned revenue – vending	7,500	7,500
Unearned grant revenue	-	1,500,000
Other postemployment benefit liability – current portion	50,983	119,807
Long-term debt – current portion	2,566,041	2,419,124
Current portion of lease liabilities	40,440	39,576
Current portion of subscription liabilities	576,331	849,188
Total Current Liabilities	11,671,436	15,149,960
Noncurrent Liabilities		
Accrued compensated absences	1,553,745	1,571,453
Unearned revenue – vending	8,125	15,625
Other postemployment benefit liability	1,028,105	1,317,069
Long-term debt	51,637,718	54,203,759
Lease liabilities	73,624	60,309
Subscription liabilities	1,426,246	1,767,329
Net pension liability	56,382,194	56,384,108
Total Noncurrent Liabilities	112,109,757	115,319,652
Total Liabilities	123,781,193	130,469,612
Deferred Inflows of Resources		
Pension related	517,151	3,476,980
Other postemployment benefit related	1,448,788	983,897
Leases	340,228	353,702
Total Deferred Inflows of Resources	2,306,167	4,814,579
Net Position		
Net investment in capital assets	125,862,561	105,049,645
Restricted for		
Expendable		
Scholarships and fellowships	298,299	272,903
Capital projects	4,547,111	8,359,722
Unrestricted (deficit)	(33,669,077)	(33,167,535)
Total Net Position	$ 97,038,894	$ 80,514,735

Missouri Southern State University
(A Component Unit of the State of Missouri)
Missouri Southern Foundation
Statements of Financial Position
June 30, 2026 and 2025

	2026	2025
ASSETS		
Current Assets		
Cash	$ 1,484,471	$ 2,279,189
Contributions receivable – current portion	4,222,882	4,281,657
Other receivables	1,748	1,873
Total Current Assets	5,709,101	6,562,719
Investments	40,717,093	37,193,137
Other Assets		
Contributions receivable – long-term portion	2,152,658	2,988,603
Beneficial interests in trusts held by others	18,289,840	15,932,251
Total Other Assets	20,442,498	18,920,854
Total Assets	$ 66,868,692	$ 62,676,710
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 38,335	$ 178
Annuity obligations	228,240	168,749
Total Current Liabilities	266,575	168,927
Net Assets		
Without donor restrictions	1,466,703	1,239,575
With donor restrictions	65,135,414	61,268,208
Total Net Assets	66,602,117	62,507,783
Total Liabilities and Net Assets	$ 66,868,692	$ 62,676,710

Missouri Southern State University
(A Component Unit of the State of Missouri)
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2026 and 2025

	2026	2025 (Restated - Note 1)
Operating Revenues		
Tuition and fees, net of scholarship allowances, and bad debt expense	$ 13,643,502	$ 13,276,259
Federal grants and contracts	10,724,901	11,834,717
State grants and contracts	2,778,658	2,945,720
Auxiliary enterprises		
Housing, net of scholarship allowances and bad debt expense	3,354,009	3,656,805
Student recreation and health center	1,130,961	1,167,067
Bookstore and other	2,312,511	2,483,631
Other operating revenues	1,671,141	2,140,359
Total Operating Revenues	35,615,683	37,504,558
Operating Expenses		
Compensation and benefits	40,211,386	36,995,888
Contractual services	6,541,624	6,731,957
Supplies and materials	3,913,162	4,495,809
Scholarships and fellowships	4,618,854	5,223,254
Depreciation and amortization	8,967,855	8,842,787
Utilities	3,583,325	3,276,077
Other	6,605,036	7,414,537
Total Operating Expenses	74,441,242	72,980,309
Operating Loss	(38,825,559)	(35,475,751)
Noncapital Subsidies		
State appropriations	30,787,957	30,465,570
State contracts	2,231,000	2,110,257
Noncapital contributions	4,061,349	4,289,248
Total Noncapital Subsidies	37,080,306	36,865,075
Operating Income (Loss) and Noncapital Subsidies	(1,745,253)	1,389,324
Nonoperating Revenues (Expenses)		
Investment income	1,294,537	1,584,110
Interest on capital asset-related debt	(2,248,547)	(2,423,403)
Capital grants and gifts	11,184,777	2,074,838
State capital appropriations	8,047,815	21,224,831
Other nonoperating expenses	(9,170)	(140,065)
Total Nonoperating Revenues	18,269,412	22,320,311
Increase in Net Position	16,524,159	23,709,635
Net Position, Beginning of Year	80,514,735	56,805,100
Net Position, End of Year	$ 97,038,894	$ 80,514,735

Missouri Southern State University
(A Component Unit of the State of Missouri)
Missouri Southern Foundation
Statement of Activities
Year Ended June 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	$ 411,292	$ 4,854,777	$ 5,266,069
Investment income	189,671	1,168,846	1,358,517
Net realized gain on investments	415,368	2,527,647	2,943,015
Net unrealized gain on investments	554,976	3,285,793	3,840,769
Increase in beneficial interest in trusts	117,439	2,240,150	2,357,589
Net assets released from restrictions	9,210,582	(9,210,582)	-
Net asset reclassification	500,619	(500,619)	-
Internal endowment management fees	498,806	(498,806)	-
Total Support and Revenue	11,898,753	3,867,206	15,765,959
Expenses			
Scholarships	1,188,546	-	1,188,546
Faculty and department support	1,529,414	-	1,529,414
Facilities improvement	7,458,489	-	7,458,489
General university support	435,212	-	435,212
Cultural activities	1,375	-	1,375
Administrative	920,259	-	920,259
Fundraising	138,330	-	138,330
Total Expenses	11,671,625	-	11,671,625
Change in Net Assets	227,128	3,867,206	4,094,334
Net Assets at Beginning of Year	1,239,575	61,268,208	62,507,783
Net Assets at End of Year	$ 1,466,703	$ 65,135,414	$ 66,602,117

Missouri Southern State University
(A Component Unit of the State of Missouri)
Missouri Southern Foundation
Statement of Activities
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	$ 292,825	$ 6,150,582	$ 6,443,407
Investment income	128,357	1,141,045	1,269,402
Net realized gain on investments	214,417	2,098,989	2,313,406
Net unrealized gain on investments	244,425	1,181,485	1,425,910
Increase in beneficial interest in trusts	-	942,600	942,600
Net assets released from restrictions	3,255,274	(3,255,274)	-
Internal endowment management fees	414,362	(414,362)	-
Total Support and Revenue	4,549,660	7,845,065	12,394,725
Expenses			
Scholarships	1,216,196	-	1,216,196
Faculty and department support	1,651,525	-	1,651,525
Facilities improvement	552,447	-	552,447
General university support	517,991	-	517,991
Cultural activities	3,835	-	3,835
Administrative	943,919	-	943,919
Fundraising	185,359	-	185,359
Total Expenses	5,071,272	-	5,071,272
Change in Net Assets	(521,612)	7,845,065	7,323,453
Net Assets at Beginning of Year	1,761,187	53,423,143	55,184,330
Net Assets at End of Year	$ 1,239,575	$ 61,268,208	$ 62,507,783

Missouri Southern State University
(A Component Unit of the State of Missouri)
Missouri Southern Foundation
Statements of Functional Expenses
Years Ended June 30, 2026 and 2025

	Program Services	Support Services	Functional Expenses
Year Ended June 30, 2026			
Scholarships	$ 1,188,546	$ -	$ 1,188,546
Faculty and department support	1,529,414	-	1,529,414
Facilities improvement	7,458,489	-	7,458,489
General university support	435,212	-	435,212
Cultural activities	1,375	-	1,375
Administrative	-	920,259	920,259
Fundraising	-	138,330	138,330
Total	$ 10,613,036	$ 1,058,589	$ 11,671,625

	Program Services	Support Services	Functional Expenses
Year Ended June 30, 2025			
Scholarships	$ 1,216,196	$ -	$ 1,216,196
Faculty and department support	1,651,525	-	1,651,525
Facilities improvement	552,447	-	552,447
General university support	517,991	-	517,991
Cultural activities	3,835	-	3,835
Administrative	-	943,919	943,919
Fundraising	-	185,359	185,359
Total	$ 3,941,994	$ 1,129,278	$ 5,071,272

Missouri Southern State University
(A Component Unit of the State of Missouri)
Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025 (Restated)
Operating Activities		
Tuition and fees	$ 13,882,669	$ 13,682,459
Grants and contracts	7,095,604	5,767,043
Payments for scholarships	(4,618,854)	(5,223,254)
Payments to suppliers	(20,694,280)	(22,518,858)
Payments to employees	(40,671,972)	(38,824,219)
Sales and services of auxiliary enterprises	6,586,410	7,017,941
Other receipts	1,671,141	2,140,358
Net Cash Used in Operating Activities	(36,749,282)	(37,958,530)
Noncapital Financing Activities		
State appropriations	33,018,957	32,575,827
Federal grants and contracts	7,948,882	8,743,669
Gifts and grants for other than capital purposes	4,061,349	4,289,248
Other receipts (payments)	(213,312)	255,418
Net Cash Provided by Noncapital Financing Activities	44,815,876	45,864,162
Capital and Related Financing Activities		
Capital appropriations - state	8,047,815	21,224,831
Capital grants and gifts received	9,684,777	3,574,838
Purchase of capital assets	(28,107,394)	(22,655,830)
Principal paid on capital debt	(2,419,124)	(2,360,939)
Interest paid on capital debt	(2,048,775)	(2,125,577)
Principal paid on leases payable	(58,384)	(57,522)
Interest paid on leases payable	(10,747)	(57,019)
Interest received on lease receivable	22,346	21,695
Principal paid on subscription liability	(1,034,453)	(1,266,229)
Interest paid on subscription liability	(201,116)	(205,849)
Net Cash Used in Capital and Related Financing Activities	(16,125,055)	(3,907,601)

Missouri Southern State University
(A Component Unit of the State of Missouri)
Statements of Cash Flows
Years Ended June 30, 2026 and 2025 **(Continued)**

	2026	2025 (Restated)
Investing Activities		
Proceeds from sales and maturities of investments	$ -	$ 35,000
Investment income received	1,294,537	1,560,741
Net Cash Provided by Investing Activities	1,294,537	1,595,741
Increase (Decrease) in Cash	(6,763,924)	5,593,772
Cash, Beginning of Year	32,316,145	26,722,373
Cash, End of Year	$ 25,552,221	$ 32,316,145
Reconciliation of Cash to the Statements of Net Position		
Cash	$ 15,739,341	$ 19,458,444
Reserved cash	7,066,548	5,613,381
Restricted cash	2,746,332	7,244,320
Total Cash	$ 25,552,221	$ 32,316,145
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (38,825,559)	$ (35,475,751)
Grant and contract revenue	(7,948,882)	(8,743,670)
Depreciation expense	7,755,759	7,424,721
Amortization expense	1,212,096	1,418,066
Changes in operating assets and liabilities		
Receivables, net	1,716,841	(473,179)
Inventories	51,344	(21,501)
Prepaid expenses	(233,115)	174,262
Accounts payable and accrued liabilities	244,642	(837,220)
Total other postemployment benefits	(357,788)	(112,926)
Deferred revenue	(147,818)	320,092
Net pension liability	(1,914)	2,039
Deferred inflows of resources	(2,494,938)	(2,041,670)
Deferred outflows of resources	2,280,050	408,207
Net Cash Used in Operating Activities	$ (36,749,282)	$ (37,958,530)
Noncash Investing, Capital, and Financing Activities		
Accounts payable incurred for purchase of capital assets	$ 1,793,234	$ 3,634,740
Lease assets acquired with lease liabilities	$ 72,563	$ -
Accretion of lease receivables	$ 1,103	$ 1,674
Subscription assets acquired with subscription liabilities	$ 420,513	$ 1,492,032

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Missouri Southern State University (the "University"), a Component Unit of the State of Missouri, is a state educational institution operating under the jurisdiction of the state of Missouri. The University campus, located in Joplin, Missouri, offers a variety of programs and services.

Major federally funded student financial assistance programs in which the University participates include the Federal Pell Grant, Federal Work-Study, Federal Direct Student Loan, Federal Supplemental Educational Opportunity Grant, and Federal Teacher Education Assistance for College and Higher Education Grant. The University extends unsecured credit to students.

Basis of Accounting and Presentation

The financial statements of the University have been prepared on the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities, and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated or voluntary nonexchange transactions (principally federal and state grants and state appropriations) are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in preparation of the financial statements. The University first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Use of 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, liabilities, and deferred inflows and outflows of resources 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.

Reserved Cash

The University has certain cash balances internally designated as reserved that are being held for specified future uses.

Investments and Investment Income

Investments in equity and debt securities are carried at fair value, except for equity securities whose sale is restricted by donors. Fair value is determined using quoted market prices. Investments in nonnegotiable certificates of deposit and equity securities whose sale is restricted by donors are carried at cost.

Investment income consists of interest and dividend income and the net change for the year in the fair value of investments carried at fair value.

Accounts Receivable

Approximately 56% and 72% of accounts receivable at June 30, 2026 and 2025, respectively, is due from governmental and other entities for reimbursements under grants and other programs. The remaining 44% and 28% of accounts receivable at June 30, 2026 and 2025, respectively, consists of tuition and fee charges to students and charges for auxiliary enterprise services provided to students, faculty, and staff.

Student accounts receivable are stated at the amount billed to the students less applied scholarships and loan proceeds and an allowance for doubtful accounts of $4,200,000 and $4,800,000 at June 30, 2026 and 2025, respectively. The University provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Tuition is due at the beginning of the semester unless the student has signed a payment plan. Charges that are past due without payments, have had no response to the due diligence process, and are assigned to third-party collection agencies are considered delinquent.

Inventories

Inventories consist of bookstore merchandise and consumable supplies. Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. Works of art collections are capitalized and depreciated. The following estimated useful lives are being used by the University:

Land improvements	10 – 40 years
Buildings and improvements	20 – 50 years
Infrastructure	10 – 40 years
Furniture, fixtures, and equipment	3 – 25 years
Library materials	7 years
Collections	15 years

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at, and certain prepayments made before, the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying asset.

Capital, Lease, and Subscription Asset Impairment

The University evaluates capital, lease, and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital, lease, and subscription asset has occurred. If a capital, lease, or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset historical cost and related accumulated depreciation or lease or subscription asset historical cost and related accumulated amortization are decreased proportionately such that the net decrease equals the impairment loss.

No asset impairment was recognized during the years ended June 30, 2026 and 2025.

Deferred Outflows of Resources

The University reports the consumption of net assets that is applicable to a future reporting period as deferred outflows of resources in a separate section of its statements of net position.

Loss on Refunding of Bonds

Losses incurred on the refunding of bond issues have been deferred and are being amortized over the life of the bonds and are included in deferred outflows of resources.

Compensated Absences

University policies permit most employees to accumulate vacation benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. A liability is accrued for compensated absences as benefits are earned if the leave is more likely than not to be used for time off or settled in cash.

Compensated absence liabilities are computed using the regular pay and termination pay rates, as applicable, in effect at statement of net position date plus an additional amount for salary-related payments such as social security and Medicare taxes computed using rates in effect at that date. The estimated compensated absences liability expected to be paid more than one year after the statement of net position date is included in other long-term liabilities.

Unearned Revenue

Current unearned revenue represents unearned student fees and advances on grants and contract awards for which the University has not met all of the applicable eligibility requirements. Current and noncurrent unearned vending revenues represent unearned sponsorships on vending machine commitments.

Defined Benefit Pension Plan

As a component unit of the state of Missouri, the University participates in the Missouri State Employees' Plan (MSEP), a single-employer defined benefit pension plan as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68). MSEP is administered by the Missouri State Employees' Retirement System (MOSERS), also a component unit of the state of Missouri. In accordance with the provisions of GASB 68, the University accounts for and reports its participation in the single-employer plan as if it was a cost-sharing employer. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of MOSERS, and additions to/deductions from MOSERS' fiduciary net position has been determined on the same basis as they are reported by MOSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Defined Benefit Other Postemployment Benefit Plan

The University has a single-employer defined benefit other postemployment benefit (OPEB) plan, providing health insurance to retirees (the "OPEB Plan"). For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred Inflows of Resources

The University reports an acquisition of net assets that is applicable to a future reporting period as deferred inflows of resources in a separate section of its statements of net position.

Net Position

Net position of the University is classified in three components on its statements of net position.

- Net investment in capital assets consists of capital assets, including lease and SBITA assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of borrowings and lease and SBITA liabilities used to finance the purchase, use or construction of those assets.

- Restricted expendable net position is made up of noncapital assets that must be used for a particular purpose, as specified by creditors, grantors or donors external to the University, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings.

- Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Classification of Revenues and Expenses

The University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

In accordance with GASB Statement No. 103, the University has classified nonoperating revenues and expenses as any: (1) contributions to permanent and term endowments, (2) finance-related revenues and expenses, (3) gains and losses from disposals of capital assets and inventory, (4) investment income and expenses, and (5) subsidies received and provided.

A subsidy represents amounts received from or provided to another party. Amounts received from another party are considered a subsidy if it is unrelated to the services provided by the University and keeps the fees charged at the same amount or lower if the subsidy was not received. Amounts provided to the other party are considered a subsidy if it is unrelated to the goods or services provided by those parties and will generally result in the party charging higher fees in the future.

All revenues and expenses not meeting the definitions of nonoperating revenues and expenses are reported as operating revenues and expenses.

Tuition and Fee Revenue

Tuition and fee revenue are recognized in the terms to which it relates. The summer term is allocated by number of days falling within each fiscal year.

Scholarship Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the statements of revenues, expenses, and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, are recorded as nonoperating revenues and other governmental grants are recorded as operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship allowance. The scholarship allowances on tuition and fees and housing for the year ended June 30, 2026, were $15,338,100 and $2,644,270, respectively, and for the year ended June 30, 2025, were $15,786,104 and $2,921,829, respectively.

Income Taxes

As a state institution of higher education, the income of the University is generally exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code and a similar provision of state law. However, the University is subject to federal income tax on any unrelated business taxable income.

Foundation

Missouri Southern Foundation (Foundation) is a legally separate, tax-exempt discretely presented component unit of Missouri Southern State University. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the University in support of its programs. The Foundation's Board of Directors is self-perpetuating and consists of graduates and friends of the University.

Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests, are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and discretely presented in the University's financial statements.

During the year ended June 30, 2026, the Foundation provided funding for scholarships and general university support of $1,159,461 and $8,799,382, respectively. During the year ended June 30, 2025, the Foundation provided funding for scholarships and general university support of $1,209,557 and $2,215,344, respectively. Complete financial statements for the Foundation can be obtained from the Foundation Office at 3950 E. Newman Road, Joplin, Missouri 64801.

The Foundation is a nonprofit organization that reports under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As such, certain revenue recognition criteria and presentation features are different from Governmental Accounting Standards Board (GASB) revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the University's financial report for these differences.

New Accounting Pronouncements Adopted in Fiscal Year 2026

The University adopted the following new accounting pronouncement during the year ended June 30, 2026:

GASB Statement No. 103, Financial Reporting Model Improvements

In April 2024, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement was to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement requires that the information presented in the MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. This Statement also describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. In addition, the Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses.

The University adopted this standard on July 1, 2025, and applied it retrospectively to the earliest period presented. The adoption of this standard did not have an impact on the University's beginning net position or change in net position. However, the following financial statement line items for the year ended June 30, 2025, were changed as a result of the adoption of GASB 103:

	As Restated	As Previously Reported	Effect of Change
Statement of Revenues, Expenses, and Changes in Net Position			
Operating Revenues			
Federal grants and contracts	$ 11,834,717	$ 3,091,048	$ 8,743,669
Other operating revenues	2,140,359	986,540	1,153,819
Total operating revenues	37,504,558	27,607,070	9,897,488
Operating Loss	(35,475,751)	(45,373,239)	9,897,488
Noncapital Subsidies			
State appropriations	30,465,570	-	30,465,570
State contracts	2,110,257	-	2,110,257
Noncapital contributions	4,289,248	-	4,289,248
Total noncapital subsidies	36,865,075	-	36,865,075
Nonoperating Revenues (Expenses)			
State appropriations	-	30,465,570	(30,465,570)
State contracts	-	2,110,257	(2,110,257)
Federal grants and contracts	-	8,743,669	(8,743,669)
Contributions	-	4,289,248	(4,289,248)
Investment income	1,584,110	1,560,741	23,369
Capital gifts and grants	2,074,838	-	2,074,838
Other nonoperating revenues	-	1,037,123	(1,037,123)
State capital appropriations	21,224,831	-	21,224,831
Other nonoperating expenses	(140,065)	-	(140,065)
Total Nonoperating Revenues (Expenses)	22,320,311	45,783,205	(23,462,894)
Other Revenues, Expenses, Gains, or Losses			
Capital gifts and grants	-	2,074,838	(2,074,838)
State capital appropriations	-	21,224,831	(21,224,831)
Total Other Revenues, Expenses, Gains, or Losses	-	23,299,669	(23,299,669)

	As Restated	As Previously Reported	Effect of Change
Statement of Cash Flows			
Operating Activities			
Other receipts	$ 2,140,358	$ 986,540	$ 1,153,818
Net Cash Used in Operating Activities	(37,958,530)	(39,112,348)	1,153,818
Noncapital Financing Activities			
Other receipts (payments)	255,418	1,409,236	(1,153,818)
Net Cash Provided by Noncapital Financing Activities	45,864,162	47,017,980	(1,153,818)
Reconciliation of Operating Loss to Net Cash Used in Operating Activities			
Operating loss	$ (35,475,751)	$ (45,373,239)	$ 9,897,488
Pell Grants	(8,743,670)	-	(8,743,670)
Net Cash Used in Operating Activities	(37,958,530)	(39,112,348)	1,153,818

GASB Statement No. 104, Disclosure of Certain Capital Assets

During the year ended June 30, 2026, the University adopted GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets, including lease assets and subscription assets, to be disclosed separately by major class in the capital asset note disclosures. The Statement also establishes additional disclosure requirements for capital assets held for sale. As a result of the implementation of GASB Statement No. 104, the University's lease assets and subscription assets are now presented within the capital asset footnote.

Note 2. Deposits, Investments, and Investment Income

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The University's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies, or instrumentalities or the state of Missouri; bonds of any city having a population of not less than two thousand, county, school district, or special road district of the state of Missouri; bonds of any state; a surety bond having an aggregate value at least equal to the amount of the deposits; tax anticipation notes issued by any first class county; irrevocable standby letter of credit issued by a Federal Home Loan Bank; or out-of-state municipal bonds rated in the highest category by a nationally recognized statistical rating agency.

At June 30, 2026 and 2025, respectively, the University's bank balances were $25,707,106 and $33,125,197. None of these deposits were exposed to custodial credit risk at June 30, 2026 or 2025.

Investments

The University may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities; repurchase agreements; banker's acceptances; and commercial paper.

The University also holds equity securities which are restricted by donors as to investment holdings and are therefore not subject to the University's investment policies.

At June 30, 2026 and 2025, the University held $21,851 of equity securities restricted by a donor.

Summary of Carrying Values

The carrying values of deposits and investments discussed above are:

	2026	2025
Carrying value		
Cash on hand	$ 10,900	$ 5,700
Deposits	25,542,082	32,311,206
Other investments	21,851	21,851
	$ 25,574,833	$ 32,338,757

The deposits and investments are included in the following statements of net position captions:

	2026	2025
Cash	$ 15,739,341	$ 19,458,444
Reserved cash	7,066,548	5,613,381
Restricted cash	2,746,332	7,244,320
Restricted investments	22,612	22,612
	$ 25,574,833	$ 32,338,757

Investment Income

Investment income for the years ended June 30, 2026 and 2025, consisted of interest and dividend income of $1,294,537 and $1,560,741, respectively.

Note 3. Lease Receivable

The University leases a portion of its property to a third party, the terms of which expire September 2051. Payments increase 3% annually. The lease was measured based upon the University's incremental borrowing rate at lease commencement.

Revenue recognized under the lease contract during the years ended June 30, 2026 and 2025 was $36,923 and $36,843, respectively, which includes both lease revenue and interest.

Note 4. Capital, Lease, and Subscription Assets

Capital assets activity for the years ended June 30, 2026 and 2025, was:

	2026				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Nondepreciable capital assets					
Land	$ 963,805	$ -	$ -	$ -	$ 963,805
Construction in progress	27,890,084	25,925,187	-	(2,753,028)	51,062,243
Total nondepreciable capital assets	28,853,889	25,925,187	-	(2,753,028)	52,026,048
Depreciable and amortizable capital assets					
Land improvements	5,422,206	-	(252,139)	514,904	5,684,971
Buildings, improvements, and leasehold improvements	218,683,489	75,765	(1,901,410)	2,047,115	218,904,959
Infrastructure	3,389,982	-	(30,242)	62,396	3,422,136
Furniture, fixtures, and equipment	19,132,177	171,653	(1,307,828)	128,613	18,124,615
Vehicles	610,503	91,781	(88,706)	-	613,578
Works of art	478,246	-	-	-	478,246
Software	1,486,538	-	-	-	1,486,538
Library materials	6,265,372	13,741	(26,378)	-	6,252,735
Lease assets - equipment	439,428	72,563	-	-	511,991
Subscription IT assets	5,462,239	420,513	-	-	5,882,752
Total depreciable and amortizable capital assets	261,370,180	846,016	(3,606,703)	2,753,028	261,362,521
Less accumulated depreciation and amortization					
Land improvements	4,821,558	139,462	(252,139)	-	4,708,881
Buildings, improvements, and leasehold improvements	92,758,354	6,523,873	(1,880,005)	-	97,402,222
Infrastructure	765,115	144,676	(30,242)	-	879,549
Furniture, fixtures, and equipment	15,812,782	892,259	(1,307,824)	-	15,397,217
Vehicles	543,547	32,082	(88,706)	-	486,923
Works of art	455,262	6,413	-	-	461,675
Software	1,486,538	-	-	-	1,486,538
Library materials	6,206,799	16,994	(26,378)	-	6,197,415
Lease assets - equipment	363,951	59,045	-	-	422,996
Subscription IT assets	2,312,622	1,153,051	-	-	3,465,673
Total accumulated depreciation and amortization	125,526,528	8,967,855	(3,585,294)	-	130,909,089
Total depreciable and amortizable capital assets, net	135,843,652	(8,121,839)	(21,409)	2,753,028	130,453,432
Net capital assets	$ 164,697,541	$ 17,803,348	$ (21,409)	$ -	$ 182,479,480

	2025				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Nondepreciable capital assets					
Land	$ 963,805	$ -	$ -	$ -	$ 963,805
Construction in progress	6,755,950	25,417,272	-	(4,283,138)	27,890,084
Total nondepreciable capital assets	7,719,755	25,417,272	-	(4,283,138)	28,853,889
Depreciable and amortizable capital assets					
Land improvements	5,451,711	26,700	(56,205)	-	5,422,206
Buildings, improvements, and leasehold improvements	215,764,603	22,472	(1,292,319)	4,188,733	218,683,489
Infrastructure	3,312,482	-	-	77,500	3,389,982
Furniture, fixtures, and equipment	18,768,815	754,017	(407,560)	16,905	19,132,177
Vehicles	610,503	-	-	-	610,503
Works of art	478,246	-	-	-	478,246
Software	1,593,297	-	(106,759)	-	1,486,538
Library materials	6,272,056	13,994	(20,678)	-	6,265,372
Lease assets - buildings	34,542		(34,542)	-	-
Lease assets - equipment	2,226,987	-	(1,787,559)	-	439,428
Subscription IT assets	6,147,158	1,492,032	(2,176,951)	-	5,462,239
Total depreciable and amortizable capital assets	260,660,400	2,309,215	(5,882,573)	4,283,138	261,370,180
Less accumulated depreciation and amortization					
Land improvements	4,695,389	182,374	(56,205)	-	4,821,558
Buildings, improvements, and leasehold improvements	87,480,063	6,191,391	(913,100)	-	92,758,354
Infrastructure	621,650	143,465	-	-	765,115
Furniture, fixtures, and equipment	15,352,501	861,280	(400,999)	-	15,812,782
Vehicles	521,817	21,730	-	-	543,547
Works of art	448,849	6,413	-	-	455,262
Software	1,593,297	-	(106,759)	-	1,486,538
Library materials	6,209,411	18,066	(20,678)	-	6,206,799
Lease assets - buildings	34,542	-	(34,542)	-	-
Lease assets - equipment	652,224	111,726	(399,999)	-	363,951
Subscription IT assets	3,183,234	1,306,339	(2,176,951)	-	2,312,622
Total accumulated depreciation and amortization	120,792,977	8,842,784	(4,109,233)	-	125,526,528
Total depreciable and amortizable capital assets, net	139,867,423	(6,533,569)	(1,773,340)	4,283,138	135,843,652
Net capital assets	$ 147,587,178	$ 18,883,703	$ (1,773,340)	$ -	$ 164,697,541

Note 5. Noncurrent Liabilities

The following is a summary of noncurrent obligation transactions for the University for the years ended June 30, 2026 and 2025:

	2026				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Auxiliary Enterprise System Revenue Bonds					
Series 2015	$ 3,540,000	$ -	$ 30,000	$ 3,510,000	$ 35,000
Series 2019A	22,015,000	-	500,000	21,515,000	530,000
Series 2021	18,300,000	-	765,000	17,535,000	800,000
Bond premium – 2015 Issue	10,816	-	811	10,005	811
Bond premium – 2019A Issue	925,887	-	38,050	887,837	38,050
Bond premium – 2021 Issue	862,002	-	59,653	802,349	59,653
Direct Placement Bonds Education Series 2017 Educational Facilities Revenue Bonds	1,505,000	-	490,000	1,015,000	500,000
Note payable to the Foundation	183,214	-	91,607	91,607	91,607
Note payable to bank	9,280,964	-	444,003	8,836,961	510,920
Lease liabilities	99,886	72,563	58,385	114,064	40,440
Subscription liabilities	2,616,516	420,513	1,034,452	2,002,577	576,331
Total bonds, notes payable, lease, and subscription liabilities	59,339,285	493,076	3,511,961	56,320,400	3,182,812
Other noncurrent liabilities					
Accrued compensated absences	2,476,563	944,127	922,818	2,497,872	944,127
Deferred revenue – vending	23,125	-	7,500	15,625	7,500
Other postemployment benefit liability	1,436,876	-	357,788	1,079,088	50,983
Net pension liabilities	56,384,108	-	1,914	56,382,194	-
Total other noncurrent liabilities	60,320,672	944,127	1,290,020	59,974,779	1,002,610
Total noncurrent liabilities	$ 119,659,957	$ 1,437,203	$ 4,801,981	$ 116,295,179	$ 4,185,422

	2025				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Auxiliary Enterprise System Revenue Bonds					
Series 2015	$ 3,570,000	$ -	$ 30,000	$ 3,540,000	$ 30,000
Series 2019A	22,490,000	-	475,000	22,015,000	500,000
Series 2021	19,030,000	-	730,000	18,300,000	765,000
Bond premium – 2015 Issue	11,627	-	811	10,816	811
Bond premium – 2019A Issue	963,937	-	38,050	925,887	38,050
Bond premium – 2021 Issue	921,655	-	59,653	862,002	59,653
Direct Placement Bonds Education Series 2017 Educational Facilities Revenue Bonds	1,985,000	-	480,000	1,505,000	490,000
Note payable to the Foundation	333,214	-	150,000	183,214	91,607
Note payable to bank	9,678,389	-	397,425	9,280,964	444,003
Lease liabilities	1,842,546	-	1,742,660	99,886	39,576
Subscription liabilities	2,390,714	1,492,031	1,266,229	2,616,516	849,188
Total bonds, notes payable, lease, and subscription liabilities	63,217,082	1,492,031	5,369,828	59,339,285	3,307,888
Other noncurrent liabilities					
Accrued compensated absences	2,540,134	905,110	968,681	2,476,563	905,110
Deferred revenue – vending	30,625	-	7,500	23,125	7,500
Other postemployment benefit liability	1,549,802	-	112,926	1,436,876	119,807
Accrued net pension liability	56,382,069	-	(2,039)	56,384,108	-
Total other noncurrent liabilities	60,502,630	905,110	1,087,068	60,320,672	1,032,417
Total noncurrent liabilities	$ 123,719,712	$ 2,397,141	$ 6,456,896	$ 119,659,957	$ 4,340,305

Auxiliary Enterprise System Revenue Bonds

Series 2015

On July 7, 2015, the University issued Auxiliary Enterprise System Refunding Revenue bonds in the principal amount of $7,615,000. The serial and term bonds bear interest, payable semiannually, at rates ranging from 2% to 4%, which began April 1, 2016. Principal maturities for the serial bonds began October 1, 2016, and continue annually until 2029. The term bonds are subject to mandatory sinking fund redemption and payment in the years 2030 – 2038 at a redemption price equal to 100% of the scheduled principal amount plus accrued interest to the redemption date. The bonds are secured by the net revenues and assets pledged of the Auxiliary Enterprise System (see Note 13).

Series 2019A

On December 30, 2019, the University issued $22,490,000 of bonds, consisting of $11,205,000 of serial bonds and $11,285,000 of term bonds. The serial and term bonds bear interest, payable semiannually, at rates ranging from 3.125% to 5%, which began April 1, 2020. Principal maturities for serial bonds begin October 1, 2024, and continue annually until 2039. The term bonds are subject to mandatory sinking fund redemption and payment in the years 2044 – 2049 at a redemption price equal to 100% of the scheduled principal amount plus accrued interest to the redemption date. The bonds are secured by the net revenues and assets pledged of the Auxiliary Enterprise System (see Note 13).

Series 2021

On September 29, 2021, the University issued $20,775,000 of term bonds. The proceeds from the issuance of these bonds were used to refund the outstanding portion of the 2014A and 2014B bond issues. The bonds bear interest, payable semiannually, at rates ranging from 3% to 4%, which began April 1, 2022. The bonds are subject to mandatory sinking fund redemption and payment in the years 2023 – 2045 at a redemption price equal to 100% of the scheduled principal amount plus accrued interest to the redemption date. The bonds are secured by the net revenues and assets pledged of the Auxiliary Enterprise System (see Note 13).

The refunding issue was used to retire $7,300,000 of Series 2014A bonds and $13,860,000 of Series 2014B bonds, meeting $429,841 of interest escrow requirements and the remainder used for the cost of issuance. The refunding was undertaken to reduce total debt service payments by $893,152 and resulted in an economic gain (present value savings) of $853,450.

Direct Placement Bonds

Series 2017 Educational Facilities Revenue Bonds

On April 1, 2017, the University issued Educational Facilities Revenue bonds through the Missouri Health and Educational Facilities Authority (MOHEFA) in principal amount of $5,000,000. The serial and term bonds bear interest, payable semiannually, at a rate of 2.49%, beginning on October 1, 2017. Principal maturities for serial bonds begin October 1, 2017, and continue annually until 2027. The term bonds are subject to mandatory sinking fund redemption and payment in the years 2017 – 2027 at a redemption price equal to 100% of the scheduled principal amount plus accrued interest to the redemption date. The bonds are secured by all rights, title, and interest of MOHEFA including all loan payments to be paid by the University. The MOHEFA bonds were issued to fund the renovation of Reynolds Hall and other capital improvements to academic facilities.

The University's outstanding bonds from direct placements of $2,905,000 contain a provision that in an event of default, outstanding amounts become immediately due if the University is unable to make payment.

The University's outstanding bonds from direct borrowings of $2,905,000 are secured with collateral of all rights, title, and interest of MOHEFA including all loan payments to be paid by the University. This outstanding bond contains (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if Bond Trustee provides written notice to the Authority and the University and (2) a provision that if the University is unable to make payment, outstanding amounts are due immediately.

Notes Payable

Note Payable to Foundation

Note payable to the Foundation for acquisition of a capital asset in the original amount of $1,337,314 due June 30, 2027, with principal payments of $150,000 due annually and interest of 5.5% payable monthly. The note is unsecured.

Note Payable to Bank

Effective September 23, 2020, the University entered into an energy savings contract with a third party for $10.7 million of capital improvements completed in 2022. The capital improvements are to be paid for through 2035 based on energy savings from the capital improvements and in accordance with the payment schedule in the contract with payments ranging from $195,000 – $440,000 quarterly, beginning in March 2022 through December 2036 with imputed interest at approximately 4.4%.

Debt Service Requirements

The debt service requirements on long-term debt other than lease liabilities and subscription liabilities as of June 30, 2026, are as follows:

	Auxiliary Enterprise System Revenue Bonds		Direct Placement Bonds		Notes Payable		Total to
Year Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest	be Paid
2027	$ 1,365,000	$ 1,605,349	$ 500,000	$ 19,049	$ 602,527	$ 390,189	$ 4,482,114
2028	1,435,000	1,548,182	515,000	6,412	582,784	361,048	4,448,426
2029	1,505,000	1,483,879	-	-	641,859	334,144	3,964,882
2030	1,595,000	1,416,036	-	-	704,723	304,548	4,020,307
2031	1,680,000	1,344,356	-	-	771,591	272,089	4,068,036
2032-2036	9,820,000	5,543,763	-	-	5,017,091	760,038	21,140,892
2037-2041	10,860,000	3,362,819	-	-	607,993	10,113	14,840,925
2042-2046	9,365,000	1,520,306	-	-	-	-	10,885,306
2047-2051	4,935,000	314,453	-	-	-	-	5,249,453
	$ 42,560,000	$ 18,139,143	$ 1,015,000	$ 25,461	$ 8,928,568	$ 2,432,169	$ 73,100,341

Note 6. Lease Liabilities

The University leases equipment and building space, the terms of which expire in various years through 2031. The leases were measured based upon the interest rate implicit per the contract or the University's incremental borrowing rate at lease commencement. Variable payments based upon the use of the underlying asset are not included in the lease liability because they are not fixed in substance.

The following is a schedule by year of payments under the leases as of June 30, 2026:

Year Ending June 30,	Total to Be Paid	Principal	Interest
2027	$ 46,093	$ 40,440	$ 5,653
2028	30,902	27,883	3,019
2029	18,751	17,331	1,420
2030	26,681	26,230	451
2031	2,213	2,180	33
	$ 124,640	$ 114,064	$ 10,576

Note 7. Subscription Liabilities

The University has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2035. The subscriptions were measured based upon the interest rate implicit per the contract or the University's incremental borrowing rate at commencement of the SBITA term. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance. There were no outflows of resources recognized in the reporting period for variable payments not previously included in the measurement of the subscription liability.

The following is a schedule by year of payments under the SBITAs as of June 30, 2026:

Year Ending June 30,	Total to Be Paid	Principal	Interest
2027	$ 716,221	$ 576,331	$ 139,890
2028	464,573	360,157	104,416
2029	392,949	314,813	78,136
2030	268,135	206,925	61,210
2031	212,153	165,729	46,424
2032-2035	427,590	378,622	48,968
	$ 2,481,621	$ 2,002,577	$ 479,044

Note 8. Pension Plan

MOSERS

Plan Description

The Missouri State Employees' Plan (MSEP) is a multiple-employer, defined benefit public employee retirement plan with two benefit structures known as the MSEP (closed plan) and MSEP 2000, which are administered by the Missouri State Employees' Retirement System (MOSERS or the "System") in accordance with Sections 104.010 and 104.312 to 104.1215 of the Revised Statutes of Missouri (RSMo). As established under Section 104.320, RSMo, MOSERS is a body corporate and an instrumentality of the state. The System is vested the powers and duties specified in Sections 104.010 and 104.312 to 104.1215, RSMo, and such other powers as may be necessary or proper to enable it, its officers, employees, and agents to carry out fully and effectively all the purposes of Sections 104.010 and 104.312 to 104.1215, RSMo. Responsibility for the operation and administration of the System is vested in the 11-member MOSERS Board of Trustees as defined by state law. Due to the nature of MOSERS' reliance on funding from the state of Missouri and other state government agencies and the overall control of the plan document by the legislative and executive branches of state government, the MSEP is considered a component unit of the state of Missouri financial reporting entity and is included in the state's financial reports as a pension trust fund.

Generally, all full-time state employees hired before July 2000, who were not covered under another state-sponsored retirement plan, are eligible for membership in the MSEP (closed plan). Full-time state employees hired after July 2000, and before January 2011, are eligible for membership in the MSEP 2000. Employees hired for the first time on or after January 2011 are eligible for membership in the MSEP 2011 tier of the MSEP 2000. MOSERS participates as an employer in the MSEP and MSEP 2000. The MSEP provides retirement, survivor, and disability benefits. MOSERS issues an Annual Comprehensive Financial Report (ACFR), a publicly available financial report that can be obtained at www.mosers.org.

Benefits Provided

MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The factor is based on the specific funding structure in which the employee participates, which is based on the employee's hire date. Information on the three funding structures administered by MOSERS (MSEP, MSEP 2000, and MSEP 2011) and how eligibility and the benefit amount is determined for each funding structure may be found in the Notes to the Financial Statements of MOSERS' ACFR starting on page 26.

Contributions

Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS' Board. No employee contribution is required for the MSEP and MSEP 2000 plans. Employees in the MSEP 2011 plan are required to contribute 4.00% of their annual pay. The University's required contribution rate for all plans for the year ended June 30, 2026, was 30.25% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The contribution rate for the MOSERS' plan years ended June 30, 2025 and 2024, was 28.75% and 27.26%, respectively, which are the years of measurement for the net pension liability. Contributions to the pension plan from the University were $5,502,216 and $5,253,337 for the years ended June 30, 2026 and 2025, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2026 and 2025, the University reported a liability of $56,382,194 and $56,384,108, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025 and 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates.

The University's proportion of the net pension liability was based on the University's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS' plan years ended June 30, 2025 and 2024. At June 30, 2025, the University's proportion was 0.70133%, which was an increase of 0.00663% from its proportion measured as of June 30, 2024. At June 30, 2024, the University's proportion was 0.6947%, which was a decrease of 0.044% from its proportion measured as of June 30, 2023.

There were no changes in benefit terms during the MOSERS plan years ended June 30, 2025 and 2024, that affected the measurement of total pension liability.

For the years ended June 30, 2026 and 2025, the University recognized pension expense of $5,046,955 and $3,451,321, respectively. At June 30, 2026 and 2025, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2026	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,527,357	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,978,497	-
Changes in proportion and differences between the University's contributions and the University's proportionate share of contributions	280,534	517,151
University's contributions subsequent to the measurement date	5,543,541	-
Total	$ 9,329,929	$ 517,151

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,738,923	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	3,802,827	-
Changes in proportion and differences between the University's contributions and the University's proportionate share of contributions	-	3,476,980
University's contributions subsequent to the measurement date	5,201,778	-
Total	$ 11,743,528	$ 3,476,980

At June 30, 2026 and 2025, the University reported $5,543,541 and $5,201,778 as deferred outflows of resources related to pensions resulting from the University's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the years ended June 30, 2026 and 2025, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2026, related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2027	$ 3,248,085
2028	638,036
2029	(289,291)
2030	(327,593)
	$ 3,269,237

Summary of Pension Changes

Below is a summary of pension changes due to the implementation of GASB 68 as of June 30, 2026 and 2025.

	2026	2025	Change
Statement of Net Position – deferred outflows of resources	$ 9,329,929	$ 11,743,528	$ (2,413,599)
Statement of Net Position – accrued net pension liability	(56,382,194)	(56,384,108)	1,914
Statement of Net Position – deferred inflows of resources	(517,151)	(3,476,980)	2,959,829
			$ 548,144

The impact on the statements of revenues, expenses, and changes in net position is the difference between the University's proportionate share of pension expense and the actuarial required contribution. The effect for the years ended June 30, 2026 and 2025, are shown below:

	2026	2025
Actuarial required contribution	$ 5,543,541	$ 5,201,778
Pension expense	(5,046,955)	(3,451,321)
MOSERS pre-payment	51,558	(45,248)
	$ 548,144	$ 1,705,209

Actuarial Assumptions

The total pension liability in the June 30, 2025 and 2024, actuarial valuations which are also the measurement dates for GASB 68 purposes, was determined using the following actuarial assumptions:

June 30, 2025	
Inflation	2.25%
Salary increases	2.50% to 10.00%
Wage inflation	2.25%
Investment rate of return	6.95% per year, compounded annually, net after investment expenses and including inflation
June 30, 2024	
Inflation	2.25%
Salary increases	2.75% to 10.00%
Wage inflation	2.25%
Investment rate of return	6.95% per year, compounded annually, net after investment expenses and including inflation

Preretirement mortality rates were based on the Pub-2010 General Members Below Median Employee mortality table, set back two years for males and set forward one year for females. Mortality was projected generationally from 2010 to 2020 using Scale MP-2020 and 75% of Scale MP-2020 for years after 2020.

Postretirement mortality rates for retirees were based on the Pub-2010 General Members Below Median Healthy Retiree mortality table, scaled by 104%, set back two years for males and set forward one year for females. Mortality projected generationally from 2010 to 2020 using Scale MP-2020 and 75% of Scale MP-2020 for years after 2020.

Postretirement mortality rates for beneficiaries were based on the Pub-2010 General Members Below Median Contingent Survivor mortality table, set back two years for males and set forward one year for females. Mortality was projected generationally from 2010 to 2020 using Scale MP-2020 and 75% of Scale MP-2020 for years after 2020.

The actuarial assumptions used in the June 30, 2025 and 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. As a result of this actuarial experience study, the MOSERS' Board made various demographic assumption changes to more closely reflect actual experience.

The most significant changes in the actuarial assumptions include the following: subsequent changes in the unfunded actuarial accrued liability due to actuarial gains/losses or assumption changes are now amortized over a closed 25-year period instead of 30 years; mortality assumptions now based on generational tables; and the merit component of the salary increase assumption was adjusted to partially reflect observed experience. The changes in assumptions recorded as deferred inflows and outflows of resources were due to these changes from the actuarial experience study.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adjusting for expected inflation, volatility, and correlations. Best estimates of the real rates of return for each major asset class included in MOSERS' target asset allocation as of June 30, 2025, are summarized in the following table:

Long-Term Expected Rate of Return

Asset Class	Policy Allocation	Long-Term Expected Nominal Return*	Long-Term Expected Real Return	Average Long-Term Expected Nominal Return
Global public equities	40.00%	8.20%	5.70%	3.30%
Global private equities	15.00%	10.90%	8.40%	1.60%
US treasuries	20.00%	4.80%	2.30%	1.00%
Private real assets	5.00%	7.50%	5.00%	0.40%
Public real assets	5.00%	9.70%	7.20%	0.50%
Alternative beta	15.00%	5.60%	3.10%	0.80%
Private credit	10.00%	8.40%	5.90%	0.80%
Cash and cash equivalents**	(10.0%)	4.10%	1.60%	-0.40%
	100.0%			
Correlation/volatility adjustment				(0.6%)
Long-term expected net nominal return				7.40%
Less: Investment inflation assumption				(2.5%)
Long-term expected geometric net real return				4.90%

*Long-term expected arithmetic returns of the asset classes at the time of the asset allocation study for each portfolio.

**Cash and cash equivalents policy allocation amounts are negative due to use of leverage.

Discount Rate

The discount rate used to measure the total pension liability was 6.95% at both June 30, 2026 and 2025. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.95%) or 1 percentage point higher (7.95%) than the current rate:

	2026		
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
University's proportionate share of the net pension liability	$ 70,454,899	$ 56,382,194	$ 44,628,046

	2025		
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
University's proportionate share of the net pension liability	$ 70,001,742	$ 56,384,108	$ 45,009,729

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MOSERS financial report.

Payable to the Pension Plan

At June 30, 2026 and 2025, the University reported a payable of $532,586 and $506,083, respectively, for the outstanding amount of contributions to the pension plan required for the years ended June 30, 2026 and 2025, respectively.

CURP

Beginning July 1, 2002, in accordance with Sections 104.1200 through 104.1215 of the Revised Statutes of Missouri, employees hired who meet the criteria of an "education employee" participate in the College and University Retirement Plan (CURP). It is a noncontributory 401(a) defined contribution plan for education employees at regional colleges/universities in Missouri. The MOSERS has been given the responsibility by law to implement and oversee the administration of the plan. The TIAA-CREF group of companies is the third-party administrator for the CURP and manages the investment options under the plan. Contributions made by the University are self-directed by participants into their selected individual accounts. After participating in CURP for at least six years, a faculty member may elect to become a member of MOSERS.

The University is required to contribute to CURP at an actuarially determined rate; the rate was 6.00% of annual covered payroll for June 30, 2026 and 2025, respectively. The University's contributions to CURP for the years ended June 30, 2026 and 2025, were $439,790 and $433,180, respectively, which equaled the required contributions for the years.

Note 9. Other Postemployment Benefit Health Care Plan

Plan Description

The University contributes to the self-insured health care plan (the "OPEB Plan"), a single-employer defined benefit other postemployment benefit (OPEB) plan covering substantially all employees. The OPEB Plan is administered through a commercial insurance carrier. Benefit provisions are contained in the plan document and were established and can be amended by action of the University's governing body. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The OPEB Plan provides medical and prescription drug benefits to eligible retirees and their dependents. Benefits are provided through a third-party insurer, and retirees contribute premiums ranging between $720 and $1,075 monthly for a single person or $1,830 and $2,720 for retiree and family. For employees who retire before reaching age 65, their insurance will be continued until the earlier of the date the plan is canceled or until their 65th birthday.

The employees covered by the benefit terms at June 30, 2026 and 2025, are:

	2026	2025
Inactive employees or beneficiaries currently receiving benefit payments	13	14
Active employees	429	438
	442	452

Total OPEB Liability

The University's total OPEB liability of $1,079,088 and $1,436,876 was measured as of June 30, 2026 and 2025, respectively, and was determined by an actuarial valuation as of those dates.

The total OPEB liability in the June 30, 2026 and 2025, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2026	2025
Inflation	2.50%	3.00%
Discount rate	4.67% (prior year 5.20%)	5.20% (prior year 3.93%)
Salary increases	2.50% per year	3.00% per year
Health care cost trend rates	9.10% for 2026, decreasing 0.37% per year to an ultimate rate of 4.0% for 2035 and later years	7.45% for 2025, decreasing 0.30% per year to an ultimate rate of 4.0% for 2034 and later years

The discount rate used for the plan was the 20-year, tax-exempt municipal bond rate as there are no assets in the plan.

Mortality rates were based on the Pub-2010 headcount weighted based mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).

The actuarial assumptions used in the June 30, 2026, valuation were based on the results of an actuarial experience study from 2013.

Changes in Total OPEB Liability

Changes in total OPEB liability are:

	2026	2025
Balance, beginning of year	$ 1,436,876	$ 1,549,802
Service cost	81,475	94,718
Interest	77,630	62,275
Differences between expected and actual experience	(692,329)	-
Changes in assumptions or other inputs	226,419	(150,112)
Benefit payments	(50,983)	(119,807)
Net changes	(357,788)	(112,926)
Balance, end of year	$ 1,079,088	$ 1,436,876

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Health Care Cost Trend Rates

The total OPEB liability of the University has been calculated using a discount rate of 4.67%. The following presents the total OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

	2026		
	1% Decrease (3.67%)	Current Discount Rate (4.67%)	1% Increase (5.67%)
University's total OPEB liability	$ 1,177,000	$ 1,079,088	$ 992,000

	2025		
	1% Decrease (4.2%)	Current Discount Rate (5.2%)	1% Increase (6.2%)
University's total OPEB liability	$ 1,556,000	$ 1,436,876	$ 1,330,000

The total OPEB liability of the University has been calculated using health care cost trend rates of 9.10% and 7.45% at June 30, 2026 and 2025, respectively. The following presents the total OPEB liability using health care cost trend rates 1% higher and 1% lower than the current health care cost trend rates.

	2026		
	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
University's total OPEB liability	$ 962,000	$ 1,079,088	$ 1,216,000

	2025		
	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
University's total OPEB liability	$ 1,290,000	$ 1,436,876	$ 1,610,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended June 30, 2026 and 2025, the University recognized OPEB expense of $24,538 and $80,666, respectively. At June 30, 2026 and 2025, the University reported deferred inflows and outflows of resources related to OPEB from the following sources.

	2026	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,202,753
Changes of assumptions	580,737	246,035
Total	$ 580,737	$ 1,448,788

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 695,514
Changes of assumptions	447,188	288,383
Total	$ 447,188	$ 983,897

Deferred inflows of resources at June 30, 2026, related to OPEB will be recognized as a reduction in OPEB expense as follows:

2027	$	(134,567)
2028		(134,567)
2029		(134,567)
2030		(126,072)
2031		(128,727)
Thereafter		(209,551)
	$	(868,051)

Note 10. Commitments and Contingencies

Claims and Litigations

As is common with most governmental entities, various parties have asserted claims through litigation and by other means. The University is vigorously defending each of these matters, the eventual outcomes of which management presently believes will not be material.

Government Grants

The University is currently participating in numerous grants from various departments and agencies of the federal and state governments. The expenditures of grant proceeds must be for allowable and eligible purposes. Single audits and audits by the granting department or agency may result in requests for reimbursement of unused grant proceeds or disallowed expenditures. Upon notification of final approval by the granting department or agency, the grants are considered closed.

Pension and Other Postretirement Benefit Obligations

The University has a defined benefit pension and postretirement health care plan whereby it agrees to provide certain postretirement benefits to eligible employees. The benefit obligation is the actuarial present value of all benefits attributed to service rendered prior to the valuation date based on the projected unit credit cost method. It is reasonably possible that events could occur that would change the estimated amount of this liability materially in the near term.

Note 11. Risk Management

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; natural disasters; workers' compensation; employee injuries and illnesses; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than those related to workers' compensation, employee dishonesty, automobile liability, and employee health as of January 1, 2017. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Workers' Compensation, Employee Dishonesty, Automotive

The state of Missouri self-insures workers' compensation benefits and automobile liability for all state employees, including University employees. The state of Missouri self-insures, through the legal expense fund, claims relating to employee dishonesty. Claims are administered by the Missouri Office of Administration, Risk Management Section.

Note 12. Employee Health Claims

Substantially all of the University's employees and their dependents are eligible to participate in the University's employee health insurance plan. The University is self-insured for health claims of participating employees and dependents on individual claims up to $150,000 per claim. Commercial stop-loss insurance coverage is purchased for claims in excess of the individual claim limit.

A provision is accrued for self-insured employee health claims including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims, and other economic and social factors. It is reasonably possible that the University's estimate will change by a material amount in the near term.

Activity in the University's accrued employee health claims liability during June 30, 2026 and 2025, is summarized as follows:

	2026	2025
Balance, beginning of year	$ 250,000	$ 450,000
Current year claims incurred and changes in estimates for claims incurred in prior years	3,837,737	2,869,924
Claims and expenses paid	3,762,737	3,069,924
	$ 325,000	$ 250,000

Note 13. Segment Information

A segment, an identifiable activity for which one or more revenue bonds are outstanding, has a specific identifiable revenue stream pledged in support of the revenue bonds and has related expenses, gains and losses, assets, and liabilities that are required by an external party to be accounted for separately. The University has one segment that meets these reporting requirements, the Auxiliary Enterprise System for residence halls, student recreation center, health center, bookstore, and ticket management.

The outstanding debt of the Auxiliary Enterprise System Revenue Bonds (Note 5) is payable from the gross income and revenues derived from the related auxiliary enterprise activities. Condensed financial information for the Auxiliary Enterprise System as of and for the years ended June 30, 2026 and 2025, is as follows:

Auxiliary Enterprise System
Revenue Bonds Series 2015, 2019, and 2021
As of Years Ended June 30, 2026 and 2025

	2026	2025
CONDENSED STATEMENTS OF NET POSITION		
Assets		
Current assets	$ 7,268,436	$ 6,249,097
Restricted cash	1,292,796	1,807,069
Lease assets, net	4,075	7,626
Subscription assets, net	11,340	26,460
Capital assets, net	57,197,818	58,771,112
Total Assets	65,774,465	66,861,364
Deferred Outflows of Resources	542,159	671,570
Liabilities		
Current liabilities	3,518,205	3,212,443
Long-term liabilities	45,092,416	46,581,644
Total Liabilities	48,610,621	49,794,087
Deferred Inflows of Resources	92,731	211,451
Net Position		
Net investment in capital assets	$ 17,613,272	$ 17,527,396

	2026	2025 (Restated)
CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION		
Operating Revenues	$ 7,066,268	$ 7,575,065
Depreciation Expense	(2,466,480)	(2,144,794)
Other Operating Expenses	(6,413,907)	(6,313,061)
Total Operating Expenses	8,880,387	8,457,855
Operating Loss	(1,814,119)	(882,790)
Noncapital Subsidies		
Noncapital subsidies received/provided	3,415,274	2,583,610
Noncapital contributions	47,327	630
Total Noncapital Subsidies	3,462,601	2,584,240
Total Operating Loss and Noncapital Subsidies	1,648,482	1,701,450
Nonoperating Revenues (Expenses)		
Investment income	17	-
Interest on capital asset-related debt	(1,562,623)	(1,612,708)
Loss on disposal of capital assets	-	37,386
Total Nonoperating Revenues (Expenses)	(1,562,606)	(1,575,322)
Change in Net Position	85,876	126,128
Beginning Net Position	17,527,397	17,401,269
Ending Net Position	$ 17,613,273	$ 17,527,397
CONDENSED STATEMENTS OF CASH FLOWS		
Net Cash Provided by (Used in)		
Operating activities	$ 611,483	$ 743,586
Noncapital financing activities	3,462,601	2,584,240
Capital and related financing activities	(3,844,545)	(3,492,563)
Investing activities	17	-
Net Increase (Decrease) in Cash and Cash Equivalents	229,556	(164,737)
Beginning Cash and Cash Equivalents	3,825,085	3,989,822
Ending Cash and Cash Equivalents	$ 4,054,641	$ 3,825,085

Note 14. Missouri Southern Foundation

Investments

Investments at June 30, 2026 and 2025, consisted of the following:

	2026	2025
Equity securities	$ 564,404	$ 521,215
Exchange traded funds	3,254,349	2,804,075
Mutual funds	3,220,757	2,824,810
Real estate interest trusts	11,744	9,487
Fixed income positions	3,715,268	4,378,636
Hedge funds	29,438,140	26,480,618
Money market funds and other	512,431	174,296
	$ 40,717,093	$ 37,193,137

Beneficial Interests in Trusts Held by Others

The Foundation is the beneficiary of various perpetual trusts administered by financial institutions. The beneficial interests in these perpetual trusts are included in donor-restricted net assets. The Foundation is to receive portions of the earnings from each of these trusts at least annually as provided for in each trust instrument. Earnings totaling $590,991 and $626,433 were received by the Foundation from these trusts during the years ended June 30, 2026 and 2025, respectively, for all restricted purposes.

The Foundation is also a beneficiary of various charitable beneficial trusts administered by a financial institution. The Foundation is to receive remainder interests in each of these trusts after donors or other beneficiaries have received benefits for specified periods of time. Once benefits have been distributed to the other beneficiaries, the Foundation is to receive stated percentages from each trust according to terms of the various trust instruments. The beneficial interests in these charitable remainder trusts are included in with donor-restricted net assets. The Foundation received distributions of $0 from these charitable remainder trusts during the years ended June 30, 2026 and 2025.

Contributions Receivable

Contributions receivable consists of unconditional gifts to be received in future periods and have been discounted, at rates ranging from 5% to 16%, to the present value of estimated future cash flows. Estimated annual collections of contributions receivable at June 30, 2026 and 2025, are as follows:

	2026	2025
Less than one year	$ 4,484,585	$ 4,479,162
One to five years	2,507,294	3,133,577
More than five years	62,352	71,112
Gross contributions receivable	7,054,231	7,683,851
Less discount for present value	678,691	413,591
Net contributions receivable	$ 6,375,540	$ 7,270,260

Endowment

Endowment net assets at June 30, 2026 and 2025, by type of fund consisted of the following:

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 65,634,220	$ 65,634,220
Board-designated endowment funds	595,304	-	595,304
Internal endowment management fees	498,806	(498,806)	-
	$ 1,094,110	$ 65,135,414	$ 66,229,524

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 61,682,570	$ 61,682,570
Board-designated endowment funds	500,619	-	500,619
Internal endowment management fees	414,362	(414,362)	-
	$ 914,981	$ 61,268,208	$ 62,183,189

The Foundation also designated $350,000 of unrestricted net assets in March 2006 as a board-designated endowment for use by the English Department of the University based on a settlement received from the estate of a former English instructor. Distributions to the English Department from this endowment will be budgeted annually based on requests submitted by the English Department along with anticipated earnings from the invested funds. The balance in this endowment at June 30, 2026 and 2025, was $595,304 and $500,619, respectively.

Donor-restricted net assets at June 30, 2026 and 2025, are categorized as directed by donors as follows:

	2026	2025
Scholarships	$ 42,412,427	$ 36,569,728
Faculty and departmental support	13,295,788	11,488,541
Facilities improvement	1,106,526	4,423,263
General university support	3,869,988	4,591,849
Cultural activities	67,047	57,845
Time	4,383,638	4,136,982
	$ 65,135,414	$ 61,268,208

Fair Value of Financial Instruments

FASB ASC 820 provides the 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 hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs: Quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs: Observable inputs other than Level 1 processes, such as quoted prices for similar assets or liabilities, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs: Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation. Level 3 also includes practical expedient investments with notice periods for redemption of more than 90 days.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following are major categories of assets and liabilities measured at fair value on a recurring basis during the year ended June 30, 2026:

Money market, equity securities, exchange traded funds and mutual funds – Fair values have been determined using quoted market prices.

Real estate interest trusts and fixed income funds – Fair values have been determined using quoted market prices of similar assets in active markets.

Hedge funds and private equity funds – The Foundation measures its interests in hedge funds and private equity limited partnerships at net asset value (NAV) per share, or its equivalent, as report by the fund managers, as a practical expedient for fair value. These investments are not categorized in the fair value hierarchy. NAV is based on the fair value of the underlying investments held by each fund and is adjusted, when necessary, for capital contributions and distributions between the fund's most recent valuation date and June 30.

Beneficial interest in trusts held by others – Fair values are based on the Foundation's percentage interest in total market value for perpetual trusts and the present value of future *income* payments for charitable remainder trusts.

	June 30, 2026			
	Fair Value			Carrying
	Level 1	Level 2	Level 3	Amount
Financial Assets				
Money market funds	$ 512,431	$ -	$ -	$ 512,431
Equity securities	564,404	-	-	564,404
Exchange traded funds	3,254,349	-	-	3,254,349
Mutual funds	3,220,757	-	-	3,220,757
Real estate investment funds	11,744	-	-	11,744
Fixed income funds	-	3,715,268	-	3,715,268
Beneficial interest in trusts held by others	-	-	18,289,840	18,289,840
Investments measured at NAV				29,438,140
	$ 7,563,685	$ 3,715,268	$ 18,289,840	$ 59,006,933

	June 30, 2025			
	Fair Value			Carrying
	Level 1	Level 2	Level 3	Amount
Financial Assets				
Money market funds	$ 174,296	$ -	$ -	$ 174,296
Equity securities	521,215	-	-	521,215
Exchange traded funds	2,804,075	-	-	2,804,075
Mutual funds	2,824,810	-	-	2,824,810
Real estate investment funds	9,487	-	-	9,487
Fixed income funds	-	4,378,636	-	4,378,636
Beneficial interest in trusts held by others	-	-	15,932,251	15,932,251
Investments measured at NAV				26,480,618
	$ 6,333,883	$ 4,378,636	$ 15,932,251	$ 53,125,388

Note: In accordance with ASC 820-10, investments measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The following is a reconciliation of the beginning and ending balances for recurring fair value measurements recognized in the accompanying statements of financial position using significant unobservable (Level 3) inputs:

	2026	2025
Balance, Beginning of Year	$ 15,932,251	$ 14,989,651
Total realized and unrealized gains and losses included in change in net assets	2,357,589	942,600
Balance, End of Year	$ 18,289,840	$ 15,932,251
Total gains or losses for the period in change in net assets attributable to the change in unrealized gains or losses related to assets and liabilities still held at the reporting date	$ 1,506,965	$ 316,167

Liquidity and Availability of Resources

The Foundation's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	2026	2025
Financial assets, at year-end	$ 66,868,692	$ 62,676,710
Less those unavailable for general expenditures within one year, due to		
Contractual or donor-imposed restrictions		
Subject to appropriation and satisfaction of donor restrictions	(65,135,414)	(61,268,208)
Investments held in annuity trust	(671,092)	(456,415)
Board designations		
Quasi-endowment fund, primarily for long-term investing	(595,304)	(500,619)
Financial assets, available to meet cash needs for general expenditures within one year	$ 466,882	$ 451,468

The Foundation's endowment funds consist of donor-restricted endowments and a quasi-endowment. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. The quasi-endowment has a spending rate of 4%.

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in short-term investments. Although the Foundation does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi-endowment could be made available if necessary. However, both the quasi-endowment and donor-restricted endowments contain investments with lock-up provisions that would reduce the total investment that could be made available.

Required Supplementary Information

Missouri Southern State University
(A Component Unit of the State of Missouri)
Required Supplementary Information
Schedule of University Proportionate Share of the Net Pension Liability
Missouri State Employees' Retirement System
Last Ten Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
University's proportion of the net pension liability	0.7013%	0.6947%	0.7387%	0.8813%	0.8736%	0.9898%	1.0009%	0.9897%	1.0427%	1.0912%
University's proportionate share of the net pension liability	$ 56,382,194	$ 56,384,108	$ 56,382,069	$ 63,103,976	$ 48,841,953	$ 62,828,458	$ 60,464,168	$ 55,206,922	$ 54,290,979	$ 50,654,529
University's covered-employee payroll	$ 18,272,833	$ 17,048,853	$ 16,269,270	$ 17,579,681	$ 17,609,065	$ 19,777,488	$ 19,443,952	$ 20,522,141	$ 20,344,926	$ 21,133,582
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	308.56%	330.72%	346.56%	358.96%	277.37%	317.68%	310.97%	269.01%	266.85%	249.10%
Plan fiduciary net position as a percentage of the total pension liability	53.78%	52.02%	52.86%	53.53%	63.00%	55.48%	56.72%	59.02%	60.41%	63.60%

* The amounts presented for each fiscal year were determined as of the end of the preceding fiscal year.

This schedule is presented to illustrate the requirements to show information for ten years.

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 5,502,216	$ 5,253,337	$ 4,647,394	$ 4,284,262	$ 4,132,983	$ 4,028,953	$ 4,305,559	$ 3,927,261	$ 3,731,781	$ 3,450,837
Contributions in relation to the contractually required contribution	5,502,216	5,253,337	4,647,394	4,284,262	4,132,983	4,028,953	4,305,559	3,927,261	3,731,781	3,450,837
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered-employee payroll	$ 18,189,141	$ 18,272,833	$ 17,048,853	$ 16,269,270	$ 17,579,681	$ 17,609,065	$ 19,777,488	$ 19,443,952	$ 20,522,141	$ 20,334,926
Contributions as a percentage of covered-employee payroll	30.25%	28.75%	27.26%	26.33%	23.51%	22.88%	21.77%	20.20%	18.18%	16.97%

This schedule is presented to illustrate the requirements to show information for ten years.

Notes to Schedule:

Benefit Changes

There were no changes to benefit terms for MOSERS for the plan years ended June 30, 2025 or 2024. During the MOSERS plan year ended June 30, 2017, the vesting requirements were changed for the MSEP 2011 plan from ten years of credited service to five years for members employed on or after January 1, 2018. There were no other changes in benefit terms during the MOSERS plan year ended June 30, 2017, that affected the measurement of total pension liability.

There were no changes to benefit terms for MOSERS for the other years presented above.

Changes of Assumptions

The salary increase rate was reduced to 2.50% in the June 30, 2025, valuation. There were no other changes in actuarial assumptions for the June 30, 2025, valuation.

There were no changes to actuarial assumptions used in the June 30, 2024 valuation, the June 30, 2023, valuation and the June 30, 2022, valuation. The assumed investment rate of return was 6.95% for the June 30, 2021, valuation, consistent with the June 30, 2020, valuation. The salary increase rate was 2.75%, consistent with the June 30, 2020, valuation. The wage inflation rate was 2.25%, consistent with the June 30, 2020, valuation. There were no other changes in actuarial assumptions for the June 30, 2021, valuation.

The assumed investment rate of return was reduced from 7.10% to 6.95% for the June 30, 2020, valuation. The salary increase rate was reduced from 2.85% to 2.75%.The wage inflation rate was reduced from 2.35% to 2.25%. There were no other changes in actuarial assumptions for the June 30, 2020, valuation.

The assumed investment rate of return was reduced from 7.25% to 7.10% for the June 30, 2019, valuation. The salary increase rate was reduced from 3.00% to 2.85%. The wage inflation rate was reduced from 2.50% to 2.35%. There were no other changes in actuarial assumptions for the June 30, 2019, valuation.

Missouri Southern State University
(A Component Unit of the State of Missouri)
Required Supplementary Information
Schedule of University Pension Contributions
Missouri State Employees' Retirement System
Last Ten Fiscal Years

The assumed investment rate of return was reduced from 7.50% to 7.25% for the June 30, 2018, valuation. The salary increase rate was reduced from 3.25% to 3.00%. The wage inflation rate was reduced from 3.00% to 2.50%. There were no other changes in actuarial assumptions for the June 30, 2018, valuation.

The assumed investment rate of return was reduced from 7.65% to 7.50% for the June 30, 2017, valuation. There were no other changes in actuarial assumptions for the June 30, 2017, valuation.

Actuarial assumptions used in the June 30, 2016, valuation were changed as follows:

Salary increases:	3.25% to 8.75% including inflation
Wage inflation:	3.00%
Investment rate of return:	7.65%

Post-retirement mortality tables: RP-2014 Healthy Annuitant projected to 2026 with Scale MP-2015 and scaled by 120%

Pre-retirement mortality tables: RP-2014 Employee projected to 2026 with Scale MP-2015 and scaled by 95% for males and 90% for females

There were no changes to actuarial assumptions used in the June 30, 2015, valuation, other than the assumption that there would be no pay increases for fiscal year ending June 30, 2016.

There were no changes to actuarial assumptions used in the June 30, 2014, valuation.

Missouri Southern State University
(A Component Unit of the State of Missouri)
Required Supplementary Information
Schedule of Changes in the University's Total OPEB Liability and Related Ratios
Last Nine Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability									
Service cost	$ 81,475	$ 94,718	$ 97,911	$ 110,078	$ 112,799	$ 110,468	$ 87,923	$ 85,254	$ 82,076
Interest	77,630	62,275	66,429	64,652	51,130	52,984	73,812	78,281	80,552
Differences between expected and actual experience	(692,329)	-	(390,080)	-	(361,045)	-	(284,908)	-	-
Changes in assumptions or other inputs	226,419	(150,112)	106,173	(15,495)	(148,277)	7,739	600,801	72,873	(129,542)
Benefit payments	(50,983)	(119,807)	(105,407)	(201,395)	(184,004)	(223,727)	(199,514)	(106,336)	(83,754)
Net Change in Total OPEB Liability	(357,788)	(112,926)	(224,974)	(42,160)	(529,397)	(52,536)	278,114	130,072	(50,668)
Total OPEB Liability – Beginning	1,436,876	1,549,802	1,774,776	1,816,936	2,346,333	2,398,869	2,120,755	1,990,683	2,041,351
Total OPEB Liability – Ending	$ 1,079,088	$ 1,436,876	$ 1,549,802	$ 1,774,776	$ 1,816,936	$ 2,346,333	$ 2,398,869	$ 2,120,755	$ 1,990,683

Notes to Schedule:
Benefit Changes: There were no changes in benefits in 2026.
Changes of Assumptions: The discount rate was updated from 5.20% to 4.67%.

This schedule is presented to illustrate the requirements to show information for ten years. However, until a full ten-year trend is compiled, the University only presents information for those years for which information is available.

Notes to Schedule:

Benefit Changes

There were no changes to benefit terms for the years ended June 30, 2026, 2025, 2024, 2023, 2022, 2021, 2020, 2019, or 2018.

Changes of Assumptions

The following changes were made to actuarial assumptions during the year ended June 30, 2026:

- The discount rate was updated from 5.20% to 4.67%.
- The trend rates were updated to 9.10% (will be graded down 0.37% per year).

The following changes were made to actuarial assumptions during the year ended June 30, 2025:

- The discount rate was updated from 3.93% to 5.20%.
- The trend rates were graded down from 7.75% to 7.45% (graded down 0.30% each year).

The following changes were made to actuarial assumptions during the year ended June 30, 2024:

- The discount rate was updated from 3.65% to 3.93%.
- The trend rates were graded up from 6.75% to 7.75% (graded down 0.30% each year).

The following changes were made to actuarial assumptions during the year ended June 30, 2023:

- The discount rate was updated from 3.54% to 3.65%.
- The trend rates were graded down from 7.0% to 6.75% (graded down 0.25% each year).

The following changes were made to actuarial assumptions during the year ended June 30, 2022:

- The discount rate was updated from 2.16% to 3.54%.
- The mortality projection scales were updated from MP-2019 to MP-2021 to reflect the Society of Actuaries' recent mortality study.

- The trend rates were reset to an initial rate of 7% grading down by 0.25% per year until reaching the ultimate rate of 4%.

The following changes were made to actuarial assumptions during the year ended June 30, 2021:

- The discount rate was updated from 2.21% to 2.16%.
- The trend rates were graded down from 6.0% to 5.5% (graded down 0.5% each year).

The following changes were made to actuarial assumptions during the year ended June 30, 2020:

- The discount rate was updated from 3.5% to 2.21%
- The mortality assumption was updated to Pub-2010 mortality table with generational scale MP-2019 to reflect the Society of Actuaries' recent mortality study.
- The trend rates were graded down from 7.0% to 6.0% (graded down 0.5% each year).

The following changes were made to actuarial assumptions during the year ended June 30, 2019:

- There were no changes to the assumptions used for the year ended June 30, 2019.

The following changes were made to actuarial assumptions during the year ended June 30, 2018:

- There was a change in the discount rate which had a net impact of $135,000.
- No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.