



Stony Brook  
University

# ANNUAL FINANCIAL REPORT



2018–2019









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ON THE COVER: An aerial view of Stony Brook Medicine's Medical and Research Translation (MART) building and Children's Hospital Bed Tower

ON THE INSIDE COVER (clockwise): Stony Brook University is an internationally recognized research institution; the 20th Stars of Stony Brook Gala raised a record \$28.2 million and honored alumna Marilyn Simons '74, PhD '84; Goldwater Scholars (from left) Alexander Kling '20, Claire Garfield '20 and Ryan McHugh '20 are part of the next generation of leaders in science, engineering and mathematics; for the second time in three seasons, the Stony Brook women's soccer team won the America East championship; (from left) Jon Longtin, Sotirios Mamalis and Benjamin Lawler (Mechanical Engineering) test hybrid engine systems in their laboratory.

ABOVE (from left): Il Memming Park (Neurobiology and Behavior) won the 2019 Discovery Prize for his project that uses neurotechnologies and machine-learning methods to better understand the brain trapped in unconscious states; the state-of-the-art MART building is home to Stony Brook University's Cancer Center, where researchers and clinicians work together to investigate, discover and drive innovations in cancer treatment.



**SBU and the Center for Sustainable Energy are collaborating on green-energy research and advancing goals of existing climate change programs.**



**SBU's medical school was renamed Renaissance School of Medicine at Stony Brook University to honor the relationships between SBU and the families of Renaissance Technologies.**



**In April 2019, Stony Brook Medicine launched Long Island's first Mobile Stroke Unit Program.**



## A Commitment to Excellence

Stony Brook University is continuing to receive recognition for its groundbreaking discoveries, advances in medicine, academic excellence, technological innovations, world-class faculty and strategic collaborations.

Our unwavering commitment to provide opportunities to students, celebrate diversity and build a more inclusive campus community is earning accolades, such as the 2018 Higher Education Excellence in Diversity (HEED) Award from *INSIGHT Into Diversity* magazine.

The University is continuing to provide students with access to professional development opportunities. In March 2019, the University's Center for Inclusive Education began leading an alliance between Stony Brook, Farmingdale State College and Suffolk County Community College to offer career development to historically underrepresented minority doctoral degree students in STEM. The program, funded by a \$1.7 million grant from the National Science Foundation, aims to transition students into faculty positions at predominantly undergraduate institutions.

### CUTTING-EDGE RESEARCH

In 2018-2019, Stony Brook researchers won two significant awards from the U.S. Department of Energy: nearly \$22 million to develop and expand Stony Brook's Energy Frontier Research Centers, which will look at ways to strengthen U.S. economic leadership and energy security; and \$2.35 million from the ARPA-E (Advanced Research Projects Agency-Energy) program, which will be used to fund projects that will help develop safer nuclear energy technologies.

The Energy Frontier Centers receiving funding are the Center for Mesoscale Transport Properties, led by SUNY Distinguished Professor Esther Takeuchi (Chemistry/Materials Science and Chemical Engineering), the recipient of a four-year \$12 million grant; and the Next Generation Synthesis Center, led by Distinguished Professor John Parise (Geosciences), recipient of a \$9.75 million, four-year grant. The ARPA-E project is led by Associate Professor Jason Trelewicz (Materials Science and Chemical Engineering).

On the biomedical front, Danny Bluestein, professor of biomedical engineering, received a \$3.8 million grant from the National Institute of Biomedical Imaging and Bioengineering to develop the next generation of transcatheter aortic valve replacement (TAVR). The goal: Customize TAVR procedures for better patient outcomes.

### FACULTY HONORS

Across a range of disciplines, our outstanding faculty continue to reach the height of intellectual distinction. Following are faculty honors from 2018-2019:

- Distinguished Professor Ken Dill (Chemistry and Physics and Astronomy), Max Delbruck Prize in Biological Physics
- Professor Xiuxiong Chen (Mathematics) and Sir Simon Donaldson (Mathematics and Simons Center for Geometry and Physics), Oswald Veblen Prize in Geometry
- Kenneth Kaushansky, MD, MACP, senior vice president of the health sciences and dean of the Renaissance School of Medicine, and F. William Studier, adjunct professor (Biochemistry), National Academy of Inventors Fellowship
- Professor Rowan Ricardo Phillips (English), PEN/ESPN Award for Literary Sports Writing for the book *The Circuit: A Tennis Odyssey*
- Associate Professor Heather Lynch (Ecology and Evolution), 2019 Blavatnik National Award for Young Scientists

## RANKINGS AND RECOGNITION

Stony Brook continues to distinguish itself as a world-class institution:

- *U.S. News & World Report* ranked Stony Brook No. 80 among U.S. colleges and universities — the highest ranking in the University's history and up 17 places from No. 97 the prior year.
- *The Wall Street Journal* and *Times Higher Education 2019 U.S. College Rankings* rated Stony Brook University No. 135 nationally, up from No. 147 last year, and No. 30 nationwide among public institutions.
- *Money* magazine named Stony Brook 34th Best U.S. College.

## SUPPORTING INNOVATION

In 2018, Stony Brook received \$25 million in state funding to develop a \$100 million, 100,000-gross-square-foot engineering building to meet the growing demands of the Department of Engineering and drive global and regional economic development.

The University continued its expansion of cutting-edge facilities: In May 2019, it launched the Institute for AI-Driven Discovery and Innovation, envisioned as an intellectual hub to coordinate and encourage faculty AI research and educational initiatives across the University.

In April 2019, Assistant Professor Il Memming Park (Neurobiology and Behavior), won the \$200,000 Stony Brook Discovery Prize. His research uses neurotechnologies and machine-learning methods to better understand the brain trapped in unconscious states.

## GROUNDBREAKING DISCOVERIES AND TECHNOLOGY

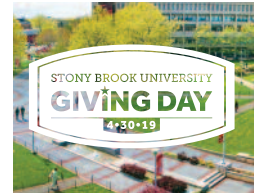
In 2018, Stony Brook University researchers identified key links between climate change and economic development, technology, politics and human decision-making in the context of climate change. In one study, researchers used a "climate change game" to determine that people typically invested in high-risk, high-reward technologies if needed to mitigate the negative effect of climate change. In a second study, researchers discovered that economic status differences reduced people's ability to agree and cooperate in how to prevent climate change.

Researchers from Stony Brook University and the University of Pennsylvania built an algorithm that could scan social media and identify linguistic "red flags" that can predict future depression diagnoses. They found that the markers could predict future depression as early as three months before first documentation of the illness in a medical record. The researchers' findings offer a potential new way to uncover and get help for those suffering from depression.

In early 2019, doctors at Stony Brook Medicine were among the first in the country to use the Woven EndoBridge (WEB) device, which offers a less-invasive aneurysm treatment than traditional open brain surgery. In a treatment that takes only 40 minutes to perform, the technology enables doctors to treat aneurysms in a single step, offering patients easier recovery.

## CHANGING THE FUTURE OF MEDICINE

In November 2018, Stony Brook University and Stony Brook Medicine celebrated the ribbon-cutting ceremony for the new Medical and Research Translation (MART) building and Stony Brook University Cancer Center. The state-of-the-art facility will change the future of cancer care through revolutionary medical discoveries and lifesaving treatments for cancer patients.



**Stone pendants and earrings were excavated from a massive monumental cemetery built by Eastern Africa's earliest herders near Lake Turkana, Kenya.**



**Stony Brook University's inaugural Giving Day surpassed expectations, as 2,200-plus donors contributed more than \$190,000.**



**Patrick Meade (C.N. Yang Institute for Theoretical Physics) led a research study that suggests an alternate history of the universe, questioning the prevailing concept that the universe was hotter and more symmetric in its early phase.**





**Lori Chan (standing, Pharmacological Sciences) led a research team in identifying a gene implicated in triple-negative breast cancer. Their findings illustrate a potential way to treat this incurable disease.**



**SBU's International Genetically Engineered Machine (iGEM) team claimed its first gold medal in the annual iGEM Giant Jamboree.**



**Stony Brook Athletics named Geno Ford (right) head coach of men's basketball in April 2019.**



## TAKING PHILANTHROPY TO RECORD HEIGHTS

In April 2019, Stony Brook University's Stars of Stony Brook Gala raised a record \$28.2 million. The event honored Marilyn Hawrys Simons '74, PhD '84, who donated \$25 million to establish the Center for Applied Economics and Public Policy at Stony Brook. In addition to her donation, more than \$3.2 million was raised for student scholarships.

## NEW APPOINTMENTS

In 2018-2019, the following appointments were made:

- Kathleen Byington, senior vice president for Finance and Administration
- Mark Sands, chief medical officer
- Rick Gatteau, vice president for Student Affairs and dean of students
- Eric Wertheimer, dean of the Graduate School, vice provost for graduate and professional education

## STUDENT HONORS

Our students' accomplishments are reaching across boundaries beyond Stony Brook:

### 2018 Fulbright Scholars

Yakov Landau (Math and Physics), Ann Lin (Biochemistry and Economics), Jessica McKay (Social Work) and Luis Tobon (English Teacher Education Program)

### 2019 Fulbright Scholars

Shannon Casey (TESOL), Brian Gallagher (Marine Vertebrate Biology), Beyza Gurler (Political Science/Sociology), Gerardy Uzochi Jean-Philippe II (Africana Studies), Samara Khan (Biology), Eric Lemmon (Music Composition), Chelsea Loew (Music Composition), Veronica Tuazon (Geology), David Vanier (Anthropological Sciences) and Yezu Woo (Music)

### 2019 Goldwater Scholars

Claire Garfield (Biology/French), Alexander Kling (Geology) and Ryan McHugh (Biology/Chemistry)

## ATHLETICS EXCELLENCE

In 2018-2019, our student-athletes were at the top of their game (literally), winning America East Championships for the following sports:

- Women's soccer
- Men's soccer
- Volleyball
- Women's lacrosse
- Men's lacrosse
- Baseball

Following a historic 2018-19 season, SBU won for the first time the Stuart P. Haskell Jr. Commissioner's Cup, which recognizes the strongest America East athletic program.

## LETTER TO THE INTERIM PRESIDENT

May 13, 2020

Michael A. Bernstein Ph.D., Interim President  
State University of New York at Stony Brook  
Administration Building, Room 310  
Stony Brook, NY 11794-1701

Dear Dr. Bernstein:

The accompanying financial statements prepared from the accounting records of Stony Brook University (hereafter referred to as the University) set forth the financial condition of the University at June 30, 2019, including the results of its operations for the fiscal year. Notes to the financial statements should be considered an integral part of the statements and the report as a whole. Prior-year data is provided to allow comparisons with the previous reporting period.

Stony Brook University's financial statements are consolidated in the annual financial report of the State University of New York (hereafter referred to as SUNY) as a component unit. Effective June 30, 2007, the University adopted a financial statement format consistent with SUNY's audited financial statements to comply with GASB and FASB pronouncements. The accompanying financial statements, to the extent possible, fairly represent the University's component information as provided by SUNY.

The financial information included in this report incorporates the major operations of the University, including the Research Foundation of the State University of New York. The financial statements of the Stony Brook University Component Units, which include the Stony Brook Foundation and Faculty Student Association, are presented on pages 18 and 19. The financial operations of the Clinical Practice Management Plan are not included in this report. The annual report has been prepared in accordance with accounting principles recommended by the American Institute of Certified Public Accountants and the National Association of College and University Business Officers to the degree practical.

Sincerely,

A handwritten signature in black ink, appearing to read "K.M. Byington", with a long horizontal flourish extending to the right.

Kathleen M. Byington  
Senior Vice President for Finance and Administration



## FINANCIAL HIGHLIGHTS

### Stony Brook University at a Glance

Stony Brook University, one of 64 campuses that constitute the State University of New York, was established in 1957 as a college for the preparation of secondary school teachers of mathematics and science. From its beginnings a half-century ago, Stony Brook University has been characterized by innovation, energy and progress, transforming the lives of people who earn degrees, work and make groundbreaking discoveries here. A dramatic trajectory of growth has turned what was once a small teacher preparation college into an internationally recognized research institution that is changing the world.

Stony Brook University consists of the main campus located on Long Island's North shore, Stony Brook Medicine, Children's Hospital and Health Science Center, the Long Island State Veterans Home, Southampton Hospital, and Stony Brook Southampton. The University's reach also extends to a Research and Development Park, four business incubators, and co-manages Brookhaven National Laboratory, joining an elite group of universities — including Princeton, Stanford, the University of California, and the University of Chicago — that run federal laboratories.

And Stony Brook is still growing. To the students, the scholars, the health professionals, the entrepreneurs and all the valued members who make up the vibrant Stony Brook community, this is a not only a great local and national university, but one that is making an impact on a global scale.

**Fiscal 2019 Revenues**                      **\$3.04 Billion**  
**Fiscal 2019 Expenditures**                **\$2.94 Billion**

**Research Awards**                            **\$213.97 Million**  
**Foundation Revenue**                        **\$93.96 Million**

#### **Total Revenue** (in millions)

Tuition and Fees	\$266.1
State Appropriations	581.0
Federal Grants	165.4
State, Local and Private Grants, and Other	96.6
Auxiliary Services	111.1
Hospital	1,714.0
Nonoperating	103.7

#### **Research Awards** (in millions)

Federal	\$150.8
Philanthropic (Private)	22.1
State and Local	12.4
Other	28.7

#### **Foundation** (in millions)

Gifts and Gifts-in-Kind	\$65.0
Other	29.0
Net Assets-Endowment	265.8
Total Net Assets	511.9
Endowment Rate of Return	7.5%



## Economic Impact

The entrepreneurial energy and economic strength of the University bring a combined benefit of \$7.2 billion and 54,600 jobs to the economy of Long Island. Stony Brook has a remarkable record of fruitful collaboration with private enterprise. Through its high-technology incubators, the University has promoted the launch of 44 companies. The University is the largest single-site employer on Long Island, with more than 14,000 full- and part-time employees.

In addition to being an engine for economic development, Stony Brook University is also a destination for the fine arts and entertainment on Long Island. The Staller Center has become a regional treasure, providing the campus and the surrounding communities with amazing local, national and international talent. The Wang Center is a destination for students, faculty and the community, celebrating Asian and Asian-American culture. Our athletics teams represent not only Stony Brook University, but this region, attracting students, faculty, staff and members of the community.

### Employment

Total Employees (full and part time)	14,078
Academic	3,116
Non-Academic	4,476
Hospital	6,486
Average Monthly Payroll	\$97.5 million

### Student Enrollment (Fall 2019)

Total Student Enrollment	26,814
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#### Undergraduate

Total Undergraduate Students	17,909
West Campus	16,768
HSC Campus	1,141
High School GPA	94%
Average SAT Score	1,335

#### Graduate and Advanced Degrees

Total Graduate Students	8,905
West Campus	5,835
HSC Campus	3,070

### Tuition and Fees (Fall 2019-Spring 2020)

#### Undergraduate and Graduate

Undergraduate NYS	\$13,851
Undergraduate Nonresident	31,521
Graduate NYS	17,234
Graduate Nonresident	29,024
Graduate MBA NYS	20,924
Graduate MBA Nonresident	30,314

#### HSC Professional

Medical NYS	\$51,170
Medical Nonresident	72,660
Dental NYS	54,334
Dental Nonresident	80,384
Physical Therapy NYS	30,314
Physical Therapy Nonresident	36,624

## FINANCIAL HIGHLIGHTS

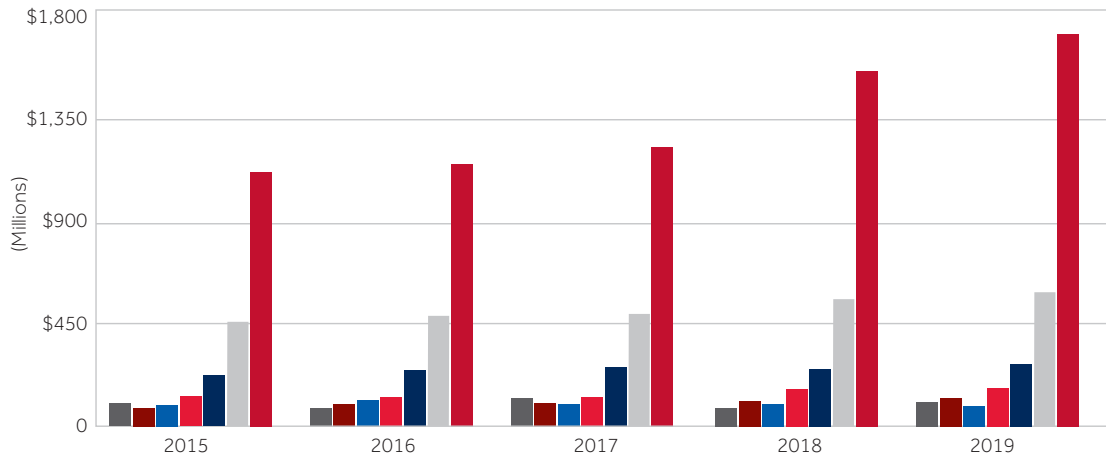
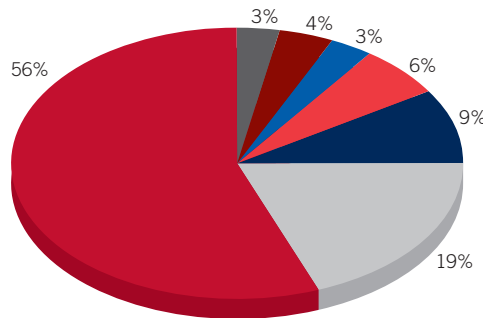
### Revenue Results

Total revenues were \$3,037,849,924 and \$2,841,071,058 for the 2019 and 2018 fiscal years, respectively. The \$197 million revenue increase in 2019 resulted from the following:

- Hospital revenues exceeded 2018 by \$126 million from increases in patient revenue and Medicaid Disproportionate Share program revenue, net of receivable reserves.
- State appropriations increased by \$40 million to support state salary contractual agreements, hospital litigation and fringe benefit costs.
- Nonoperating revenue increased by \$17 million in funding for capital gifts, federal and state student financial aid and income from investments.
- Tuition and fees and auxiliary enterprises each increased by \$5 million due to increased enrollments, dormitory occupancy and rate increases.
- Federal, state, local and private grants administered by the Research Foundation increased \$4 million.

The accompanying graphs depict revenue as a percentage of total current year revenue and over a five year trend.

### 2019 Revenues



Nonoperating	\$99,868,549	\$69,711,773	\$149,405,058	\$86,025,012	\$103,666,587
Auxiliary enterprises	86,373,407	89,762,156	100,286,952	105,634,439	111,052,245
State, local, and private grants and contracts, and other	90,345,218	93,493,474	94,543,108	97,947,713	96,641,893
Federal grants and contracts	142,184,555	141,234,475	142,812,498	160,813,471	165,395,872
Tuition and fees	216,565,759	244,593,192	266,628,173	260,771,678	266,121,515
State appropriations	455,214,819	470,745,983	476,035,974	541,480,519	581,018,528
Hospital and clinics	1,150,527,679	1,170,234,874	1,241,218,416	1,588,398,226	1,713,953,284



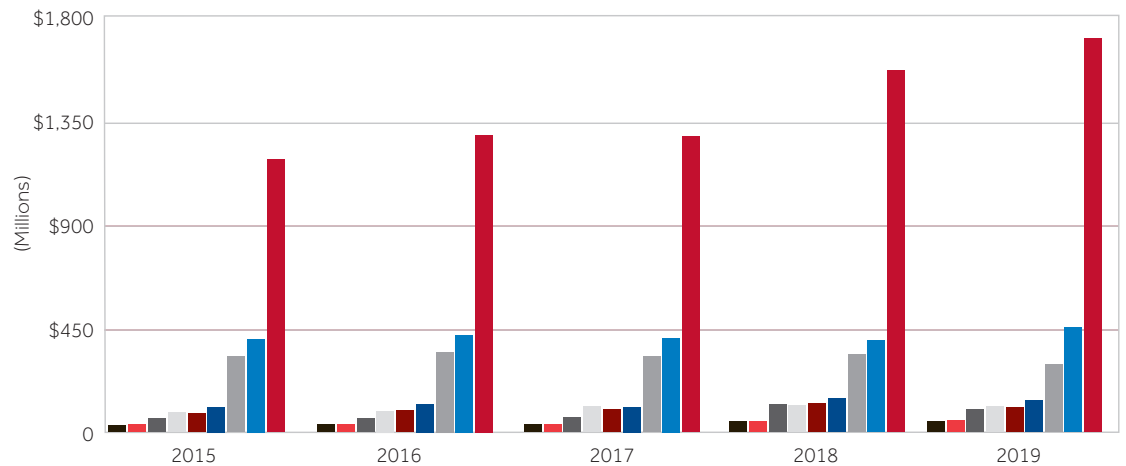
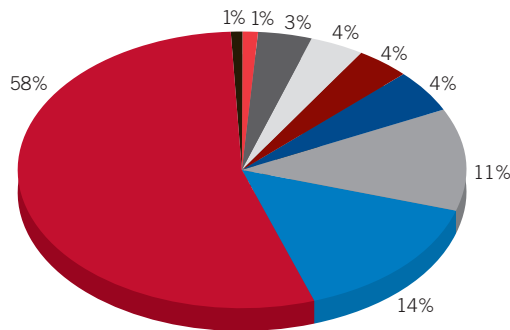
### Expenditure Results

Expenditure totals were \$2,943,221,384 and \$2,716,314,571 for 2019 and 2018, respectively. The \$227 million expenditure increase was primarily attributable to the following:

- Hospital expenditures increased by \$208 million in personal service and fringe benefit costs, contractual services, hospital part A and B expenditures, and litigation costs.
- Auxiliary expenditures increased \$11 million from dormitory rehab project and other costs.
- Depreciation expense increased \$8 million in capital asset additions.

The accompanying graphs depict expenditure results as a percentage of current year total expenditures and over a five year trend.

### 2019 Expenditures



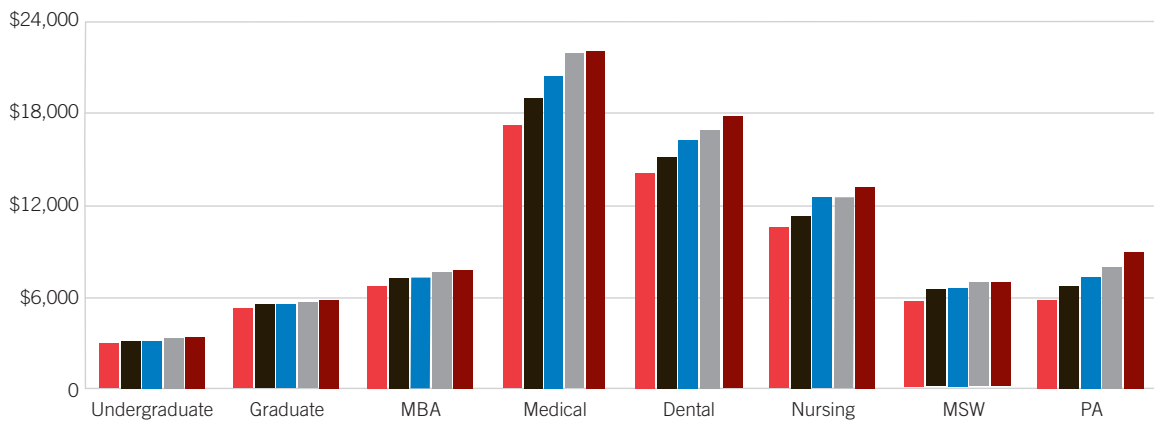
	2015	2016	2017	2018	2019
Public service	\$23,778,663	\$27,185,116	\$23,478,828	\$29,194,445	\$30,015,494
Scholarships and fellowships	26,674,996	25,727,426	23,821,739	29,229,180	32,717,815
Nonoperating	59,498,009	59,604,375	61,138,308	110,765,579	93,585,305
Depreciation expense	83,827,479	86,006,061	91,490,830	107,210,549	115,459,329
Auxiliary enterprises	83,983,218	85,581,054	96,665,620	96,681,444	107,529,197
Research	107,710,221	112,967,711	95,990,518	117,055,454	120,188,399
Support services	346,500,581	357,409,606	344,716,278	324,791,068	329,561,831
Instruction	400,769,909	410,333,037	401,843,584	400,204,762	405,328,847
Hospital and clinics	1,190,501,389	1,254,465,216	1,252,395,313	1,501,182,090	1,708,835,167

## FINANCIAL HIGHLIGHTS

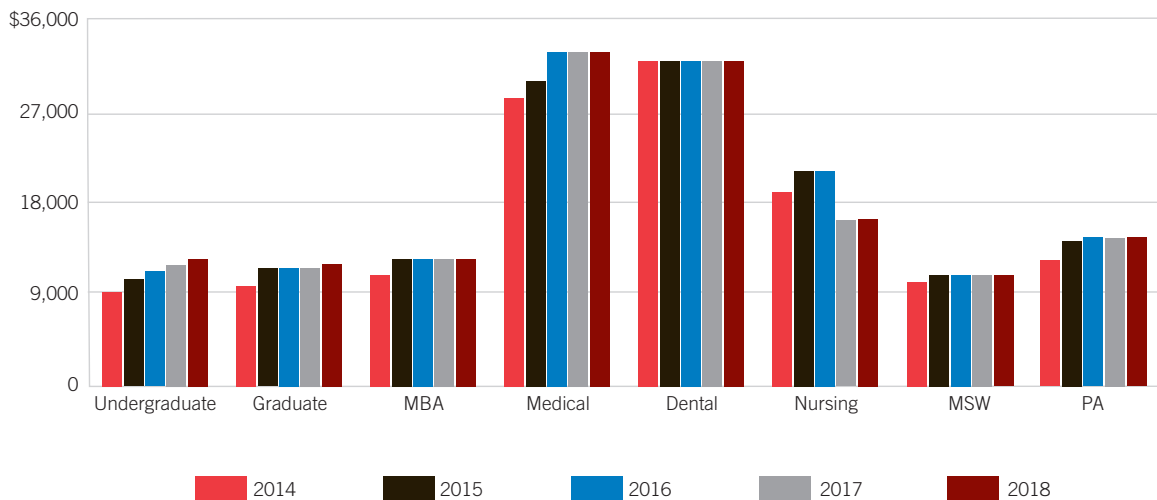
### Tuition Revenue Graphs

These graphs trend tuition rates based on residency status for Fall 2014 through Fall 2018. Due to reductions in state funded support, tuition rates have increased in both resident and non-resident tuition groups as authorized by the SUNY Board of Trustees. With the adoption of SUNY 20/20, total rates for 2014 through 2018 have increased an average of 4 and 1 percent for resident and non-resident students, respectively.

#### Fall Resident Tuition Rates



#### Fall Non-Resident Tuition Rates



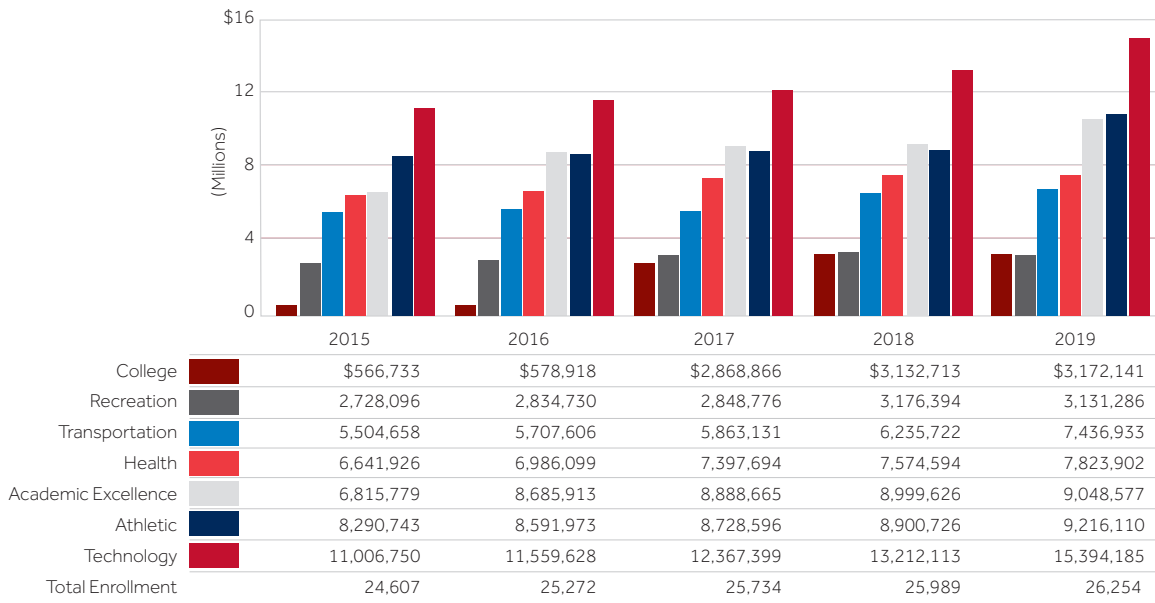


### Comprehensive Fee Revenue

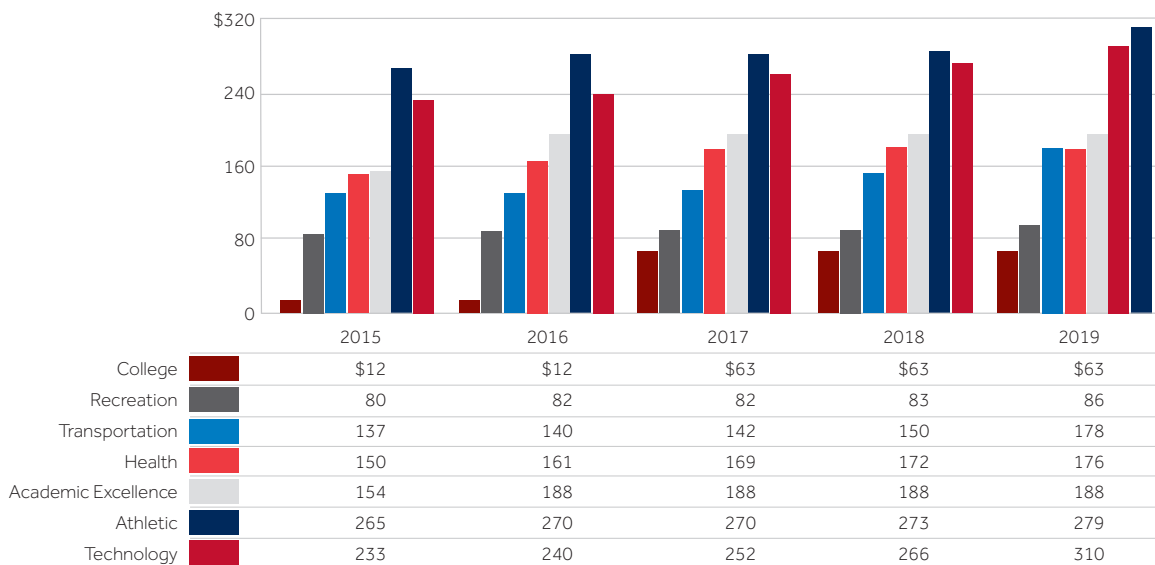
The comprehensive fee is a mandatory fee that is billed to all students, unless they meet waiver requirements. The comprehensive fee consists of these fee components: college, recreation, transportation, health services, academic excellence, athletic and technology fees. With the exception of the athletic and recreation fees which are billed solely to undergraduate students, comprehensive fee rates are consistent for all student fee groups (undergraduate, graduate and professional students).

These graphs illustrate the growth in revenues attributed to the comprehensive fee components for the fiscal years 2015 through 2019. Total rates for 2015 through 2019 have increased proportionate to the services they support.

### Comprehensive Fee Revenue



### Comprehensive Fee Full-time Single Semester Rates



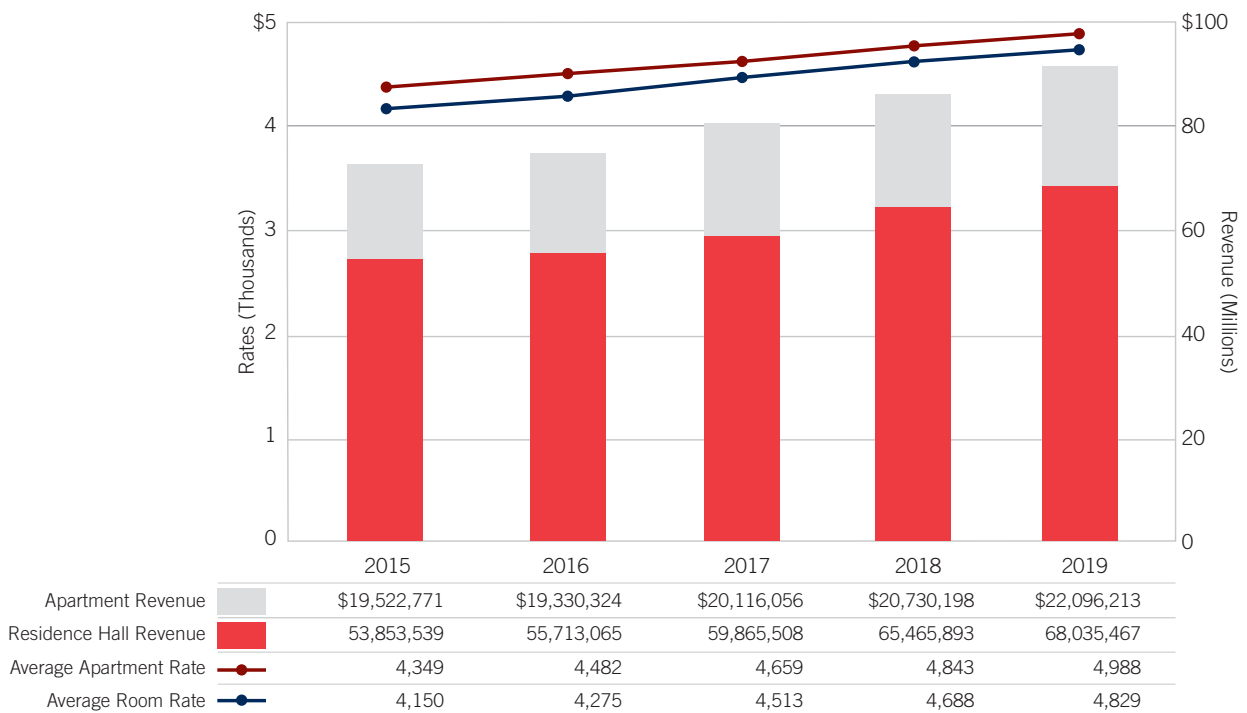
## FINANCIAL HIGHLIGHTS

### Apartment and Residence Hall Revenue

Stony Brook offers on-campus housing to non-commuter students by way of apartment rentals and residence halls, both containing various living options and fee structures. Revenues associated with these facilities are maintained in the Dormitory Operating Fund which is reported within auxiliary enterprises in the Stony Brook University Statement of Revenue, Expenses, and Changes in Net Position.

Below is a graph of apartment and residence hall revenue and rates (single semester) for fiscal years 2015 through 2019. The per annum increases in apartment and resident hall rates have averaged approximately 4 percent.

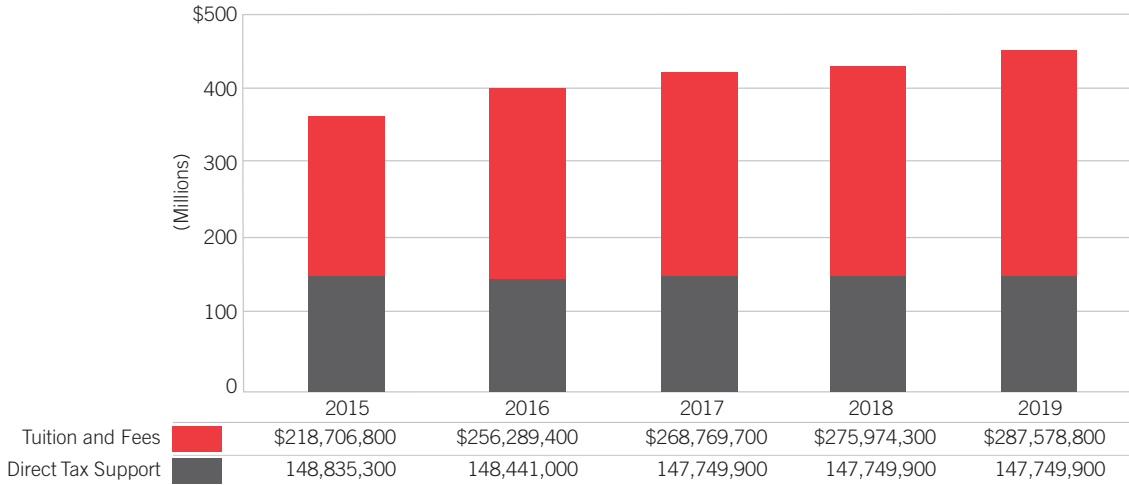
### Apartment and Residence Hall Rates and Revenue





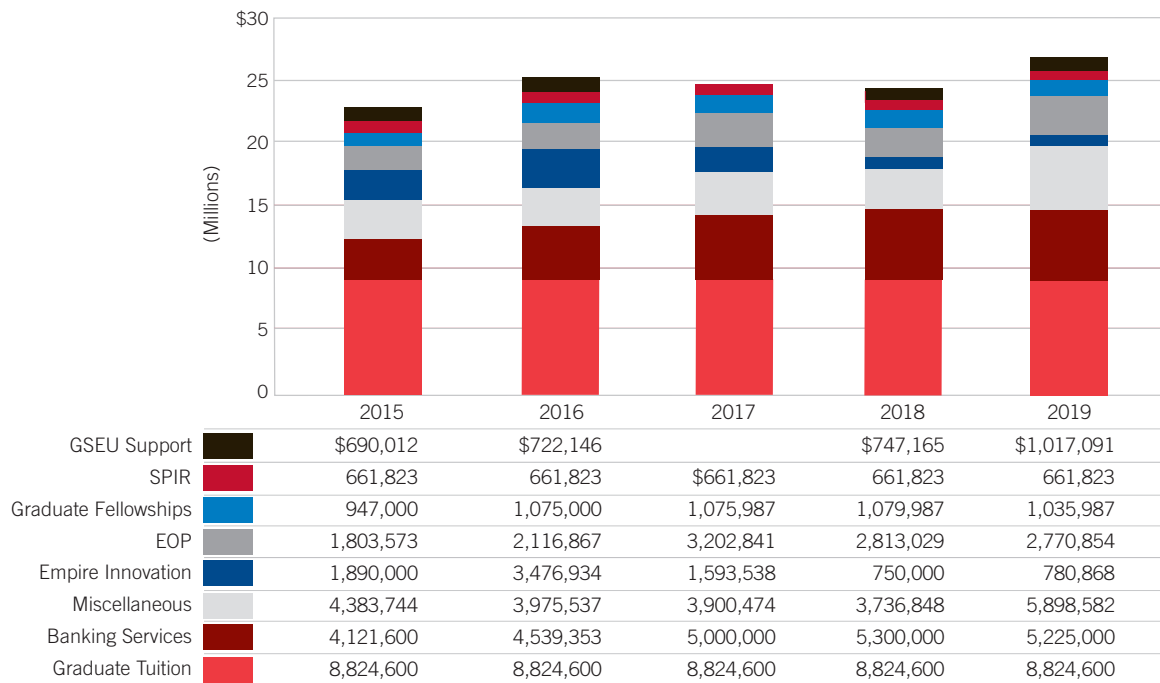
### Financial Plan Resources

The University receives financial resources to support its core operating budget in the form of direct tax support and from tuition and fees. The following graph illustrates the Financial Plan distributions for the period from 2015 through 2019.



### University-wide Special Program Appropriations

The University receives University-wide appropriations earmarked for special programs. Documented below are the programs that were supported by these appropriations for fiscal years 2015 through 2019.



## ANNUAL FINANCIAL REPORT

### STONY BROOK UNIVERSITY BALANCE SHEET

	FOR THE YEARS ENDING JUNE 30	
	2019	2018
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$462,979,044	\$410,808,367
Deposits with trustees	19,092,337	22,541,276
Short-term investments	121,571,018	112,519,303
Accounts, notes, and loans receivable, net	308,925,975	301,242,605
Interest receivable	747,100	521,574
Appropriations receivable	26,241,292	23,004,862
Grants receivable	39,075,013	38,354,783
Inventories	14,659,366	14,508,899
Other assets	20,926,958	17,592,333
<b>Total current assets</b>	<b>1,014,218,103</b>	<b>941,094,002</b>
<b>Noncurrent Assets</b>		
Restricted cash and cash equivalents	10,746,649	33,459,228
Deposits with trustees	18,481,036	11,348,491
Accounts, notes, and loans receivable, net	4,813,917	6,012,574
Appropriations receivable	224,740,090	172,533,920
Long-term investments	10,611,916	
Capital assets, net	2,503,330,266	2,368,455,076
Other assets	3,060,753	2,856,796
<b>Total noncurrent assets</b>	<b>2,775,784,627</b>	<b>2,594,666,085</b>
<b>Total assets</b>	<b>3,790,002,730</b>	<b>3,535,760,087</b>
Deferred outflows of resources	57,302,622	51,125,445
<b>Total assets and deferred outflows of resources</b>	<b>3,847,305,352</b>	<b>3,586,885,532</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	307,195,188	411,338,459
Interest payable	5,749,804	5,349,434
Student deposits	2,683,700	2,642,350
Deposits held in custody for others	7,265,987	6,274,250
Deferred revenue	62,351,720	55,071,544
Long-term liabilities-current portion	139,955,805	143,365,010
Other liabilities	19,968,058	31,616,455
<b>Total current liabilities</b>	<b>545,170,262</b>	<b>655,657,502</b>
<b>Noncurrent Liabilities</b>		
Long-term liabilities	2,005,742,846	1,684,901,348
Refundable government loan funds	6,850,379	6,763,487
Other liabilities	7,442,857	7,867,483
<b>Total noncurrent liabilities</b>	<b>2,020,036,082</b>	<b>1,699,532,318</b>
<b>Total liabilities</b>	<b>2,565,206,344</b>	<b>2,355,189,820</b>
Deferred inflows of resources	56,463,566	100,688,810
<b>Total liabilities and deferred inflows of resources</b>	<b>2,621,669,910</b>	<b>2,455,878,630</b>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	784,220,507	862,406,180
Loans - restricted and expendable	761,154	751,499
Unrestricted	440,653,781	267,849,223
<b>Total net position</b>	<b>1,225,635,442</b>	<b>1,131,006,902</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$3,847,305,352</b>	<b>\$3,586,885,532</b>

See accompanying notes to financial statements.



## ANNUAL FINANCIAL REPORT

### STONY BROOK UNIVERSITY STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	FOR THE YEARS ENDING JUNE 30	
	2019	2018
<b>OPERATING REVENUES</b>		
Tuition and fees	\$349,470,849	\$341,069,911
Less: scholarship allowances	(83,349,334)	(80,298,233)
<b>Net tuition and fees</b>	<b>266,121,515</b>	<b>260,771,678</b>
Federal grants and contracts	165,395,872	160,813,471
State grants and contracts	14,753,095	12,369,463
Local grants and contracts	377,615	312,834
Private grants and contracts	68,026,052	72,912,577
University hospitals and clinics	1,713,953,284	1,588,398,226
Sales and services of auxiliary enterprises:		
Residence halls, net	77,968,469	72,916,801
Other auxiliary, net	33,083,776	32,717,638
Other operating	13,485,131	12,352,839
<b>Total operating revenues</b>	<b>2,353,164,809</b>	<b>2,213,565,527</b>
<b>OPERATING EXPENSES</b>		
Instruction	405,328,847	400,204,762
Research	120,188,399	117,055,454
Public service	30,015,494	29,194,445
Academic support	79,217,152	77,406,537
Student services	54,057,673	50,624,554
Institutional support	113,672,191	113,477,144
Operation and maintenance of plant	82,614,815	83,282,833
Scholarships and fellowships	32,717,815	29,229,180
Hospitals and clinics	1,708,835,167	1,501,182,090
Residence halls	69,932,492	66,209,935
Other auxiliary	30,538,593	28,974,261
Depreciation and amortization expense	115,459,329	107,210,549
Other operating	7,058,112	1,497,248
<b>Total operating expenditures</b>	<b>2,849,636,079</b>	<b>2,605,548,992</b>
<b>Operating loss</b>	<b>(496,471,270)</b>	<b>(391,983,465)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	581,018,528	541,480,519
Federal and State student financial aid	65,128,285	60,167,232
Investment income, net of investment fees	12,525,512	7,387,537
Net realized and unrealized gains	4,648,007	5,729,050
Gifts	4,194,500	4,578,003
Interest expense on capital related debt	(76,195,474)	(61,176,098)
Loss on disposal of plant assets	(12,079,071)	(3,430,379)
Other nonoperating revenues (expenses), net	(5,310,760)	(2,694,417)
<b>Net nonoperating revenues</b>	<b>573,929,527</b>	<b>552,041,447</b>
<b>Income (loss) before other revenues and gains</b>	<b>77,458,257</b>	<b>160,057,982</b>
Capital gifts and grants	17,170,283	8,163,190
Transfers to State		(43,464,685)
<b>Increase (decrease) in net position</b>	<b>94,628,540</b>	<b>124,756,487</b>
<b>Net position at the beginning of year</b>	<b>1,131,006,902</b>	<b>1,006,250,415</b>
<b>NET POSITION AT THE END OF YEAR</b>	<b>\$1,225,635,442</b>	<b>\$1,131,006,902</b>

See accompanying notes to financial statements.

## ANNUAL FINANCIAL REPORT

### STONY BROOK UNIVERSITY STATEMENT OF CASH FLOWS

	<b>FOR THE YEARS ENDING JUNE 30</b>	
	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$269,553,477	\$261,425,573
Federal grants and contracts	164,653,742	161,283,911
State and local grants and contracts	15,887,434	11,550,309
Private grants and contracts	73,198,201	82,945,398
University hospitals and clinics	1,491,068,353	1,478,937,531
Personal service payments	(1,214,090,098)	(1,135,101,998)
Other than personal service payments	(715,223,725)	(646,169,880)
Payments for fringe benefits	(275,487,102)	(244,256,814)
Payments for scholarships and fellowships	(32,261,796)	(26,796,810)
Loans issued to students	(85,000)	(725,728)
Collection of loans to students	101,542	800,872
Residence halls, net	77,601,137	72,920,532
Other auxiliary, net	27,454,935	27,825,860
Other operating	7,627,243	14,686,970
<b>Net cash provided (used) by operating activities</b>	<b>(110,001,657)</b>	<b>59,325,726</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
<b>State appropriations:</b>		
Operations	166,238,251	170,721,856
Debt service	75,779,097	76,059,434
Federal and State student financial aid grants	65,128,285	60,167,230
Private gifts and grants	6,324,747	4,578,003
Repayment of short-term loans	(1,600,000)	(1,600,000)
Direct loan receipts	118,357,314	123,224,055
Direct loan disbursements	(118,357,314)	(123,224,055)
Other payments		(31,348,415)
<b>Net cash flows provided by noncapital financing activities</b>	<b>311,870,380</b>	<b>278,578,108</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from capital debt	176,619,143	148,130,133
Capital grants and gifts received	7,073,312	8,163,190
Purchases of capital assets	(72,790,970)	(16,019,405)
Payments to contractors	(154,507,178)	(169,280,874)
Principal paid on capital debt and leases	(68,570,378)	(65,199,761)
Interest paid on capital debt and leases	(76,195,473)	(60,246,833)
Deposits with trustees	3,448,939	(7,524,678)
<b>Net cash used by capital and related financing activities</b>	<b>(184,922,605)</b>	<b>(161,978,228)</b>

See accompanying notes to financial statements.

## ANNUAL FINANCIAL REPORT

### STONY BROOK UNIVERSITY STATEMENT OF CASH FLOWS

	FOR THE YEARS ENDING JUNE 30	
	2019	2018
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest, dividends, and realized gains on investments	\$12,511,980	\$7,114,148
<b>Net cash provided by investing activities</b>	<b>12,511,980</b>	<b>7,114,148</b>
<b>Net change in cash</b>		
Cash - beginning of year	444,267,595	261,227,841
<b>Cash - end of year</b>	<b>473,725,693</b>	<b>444,267,595</b>
<b>END OF YEAR CASH COMPRISED OF</b>		
Cash and cash equivalents	462,979,044	410,808,367
Restricted cash and cash equivalents	10,746,649	33,459,228
<b>Total cash - end of year</b>	<b>473,725,693</b>	<b>444,267,595</b>
<b>RECONCILIATION OF NET OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating loss	(496,471,270)	(391,983,465)
<b>ADJUSTMENTS TO OPERATING LOSS</b>		
Depreciation and amortization expense	115,459,329	107,210,549
Fringe benefits and litigation costs provided by State	276,257,620	275,685,474
<b>CHANGE IN ASSETS AND LIABILITIES</b>		
Receivables, net	(4,177,397)	(18,070,054)
Inventories	(326,583)	(1,740,052)
Other assets	(25,430,494)	(10,696,191)
Accounts payable, accrued expenses, and other liabilities	(7,009,634)	64,210,750
Deferred revenue	(5,769,361)	(3,330,858)
Student deposits	41,350	82,650
Deposits held for others	(1,064,927)	(1,078,916)
Other liabilities	38,489,710	39,035,839
<b>Net cash provided (used) by operating activities</b>	<b>(110,001,657)</b>	<b>59,325,726</b>
<b>SUPPLEMENTAL DISCLOSURES FOR NONCASH TRANSACTIONS</b>		
Assets from Southampton Hospital Affiliation		83,975,000
Liabilities from Southampton Hospital Affiliation		80,135,000

See accompanying notes to financial statements.

## ANNUAL FINANCIAL REPORT

### STONY BROOK UNIVERSITY COMPONENT UNITS BALANCE SHEET

	FOR THE YEARS ENDING JUNE 30	
	2019	2018
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$76,981,728	\$88,868,787
Accounts and notes receivable, net	6,855,660	8,985,106
Pledges receivable, net	105,400,440	98,905,845
Investments	398,187,966	339,943,463
Assets held for others	221,491	1,599,153
Other assets	1,131,968	2,105,488
Capital assets, net	32,368,062	32,318,215
<b>Total assets</b>	<b>621,147,315</b>	<b>572,726,057</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	12,293,214	14,408,698
Deferred revenue	2,935,276	2,888,269
Deposits held for others	37,858,093	32,540,394
Other liabilities	13,054,931	12,775,836
Long-term debt	1,081,615	1,802,695
<b>Total liabilities</b>	<b>67,223,129</b>	<b>64,415,892</b>
<b>NET ASSETS</b>		
<b>Net assets without donor restrictions</b>		
Board designated for:		
Fixed assets	22,339,769	21,014,579
Campus programs	7,282,080	13,646,737
General operations & other	15,348,634	14,675,887
Undesignated	38,092,514	26,523,338
<b>Total net assets without donor restrictions</b>	<b>83,062,997</b>	<b>75,860,541</b>
<b>Net assets with donor restrictions</b>		
Scholarships and fellowships	59,894,114	52,482,483
Campus programs	218,895,886	194,335,355
Research, general operations and other	192,071,189	185,631,786
<b>Total net assets with donor restrictions</b>	<b>470,861,189</b>	<b>432,449,624</b>
<b>Total net assets</b>	<b>553,924,186</b>	<b>508,310,165</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$621,147,315</b>	<b>\$572,726,057</b>

See accompanying notes to financial statements.



## ANNUAL FINANCIAL REPORT

### STONY BROOK UNIVERSITY COMPONENT UNITS STATEMENT OF ACTIVITIES

	FOR THE YEARS ENDING JUNE 30		2019	2018
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	TOTAL
<b>REVENUES</b>				
Contributions, gifts, and grants	\$466,253	\$64,509,763	\$64,976,016	\$58,569,357
Investment income, net	8,662,237	16,277,340	24,939,577	31,372,675
Food service	37,893,972		37,893,972	38,836,420
Other auxiliary services	5,114,635		5,114,635	4,559,911
Rental income	162,933	282,424	445,357	444,710
Sales and services	1,797,996	1,023,870	2,821,866	3,733,204
Other sources	41,744	1,464,406	1,506,150	74,472
Net assets released from restrictions	45,107,851	(45,107,851)		
<b>Total revenues</b>	<b>99,247,621</b>	<b>38,449,952</b>	<b>137,697,573</b>	<b>137,590,749</b>
<b>EXPENSES</b>				
Food service	31,953,677		31,953,677	34,367,712
Other auxiliary services	1,641,174		1,641,174	1,704,578
Program expenses	17,869,631		17,869,631	29,447,112
Payments to State University Scholarships and fellowships	4,033,698		4,033,698	3,738,664
Other	24,350,140		24,350,140	22,985,566
Management and general	7,577,257		7,577,257	6,930,948
Fundraising	4,657,975		4,657,975	3,701,167
<b>Total expenditures</b>	<b>92,083,552</b>		<b>92,083,552</b>	<b>102,875,747</b>
<b>Increase (decrease) in net assets</b>	<b>7,164,069</b>	<b>38,449,952</b>	<b>45,614,021</b>	<b>34,715,002</b>
Net assets at the beginning of year	75,860,541	432,449,624	508,310,165	473,595,163
Transfer of net assets	38,387	(38,387)		
<b>NET ASSETS AT THE END OF YEAR</b>	<b>\$83,062,997</b>	<b>\$470,861,189</b>	<b>\$553,924,186</b>	<b>\$508,310,165</b>

See accompanying notes to financial statements.

## ANNUAL FINANCIAL REPORT

### NOTES TO FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

### Financial Presentation

In June 2007, Stony Brook University (the University) adopted a financial statement format consistent with the State University of New York's (SUNY) audited financial statements. The University assumed this position in order to conform to GASB and FASB pronouncements. The University has relied on information provided by SUNY for the allocation of various net asset values not easily identified by the University.

### Reporting Entity

For financial reporting purposes, the University is comprised of sectors which include the university centers of the main campus, Manhattan, and Southampton, health science centers (including hospitals), colleges and schools, central services and other affiliated entities determined to be includable in the University's financial reporting entity. Inclusion in the entity is based primarily on the notion of financial accountability defined in terms of a primary government (University) that is financially accountable for the organizations that make up its legal entity. Separate legal entities meeting the criteria for inclusion in the blended totals of the University reporting entity are described below.

The Research Foundation of State University of New York at Stony Brook (Research Foundation) is a separate not-for-profit educational corporation that operates as the fiscal administrator for the majority of the University's sponsored programs. The programs include research, training, and public service activities of the State-operated campuses supported by sponsored funds other than State appropriations. The activity of the Research Foundation has been included in these financial statements using GASB measurements and recognition standards. The financial activity was derived from audited financial statements of the Research Foundation for the year ended June 30, 2019 and 2018.

The State University Construction Fund (Construction Fund) is a public benefit corporation that designs, constructs, reconstructs, and rehabilitates SUNY facilities to an approved master plan. It is a separate legal entity that carries out operations which are integrally related to SUNY, and its reporting components, and therefore, the financial activity related to the University's share of Construction Fund is included in the financial statements as of the Construction Fund's fiscal year end of March 31, 2019 and 2018. To report construction fund activities related to the University, certain methodologies are used by SUNY to allocate plant fund balances by campus.

The Faculty Student Association (FSA) is a legally separate, nonprofit corporation, which as an independent contractor, operates, manages, and promotes educationally related services for the benefit of the campus community. The Stony Brook Foundation Inc. (the Foundation) is a legally separate, nonprofit, affiliated organization that receives and holds economic resources that is significant to, and entirely for the University, and is required to be included in the reporting entity using discrete presentation requirements. As a result, the combined totals of the FSA and the Foundation are separately presented as aggregate component units on financial statement pages 18 and 19 in the University's financial statements in accordance with display requirements prescribed by the Financial Accounting Standards Board (FASB). The financial data for these organizations was derived from each entity's individual audited financial statements for the years ended June 30, 2019 and 2018.

The operations of certain related but independent organizations, i.e., clinical practice management plans, alumni association and student associations, are not included in the accompanying financial statements as such organizations do not meet the definition for inclusion.

The financial statements of the University have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles as prescribed by GASB. The University reports its financial statements as a special-purpose government engaged in business-type activities, as defined by GASB. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The financial statements of the University consist of a classified balance sheet; a statement of revenues, expenses, and changes in net position, that distinguish between operating and nonoperating revenues and expenses; and a statement of cash flows, using the direct method of presenting cash flows from operations and other sources.

The University's policy for defining operating activities in the statement of revenues, expenses, and changes in net position are those that generally result from exchange transactions, i.e., the payments received for services and payments made for the purchase of goods and services. Certain other transactions are reported as nonoperating activities and include the University's operating and capital appropriations from the State, Federal and State financial aid grants, net investment income, gifts, and interest expense.

Resources are classified for accounting and financial reporting purposes into the following four net position categories:

**Net investment in capital assets:**

Capital assets, net of accumulated depreciation and amortization and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets.

**Restricted – nonexpendable:**

Net position component subject to externally imposed conditions that require the University retain in perpetuity.

**Restricted – expendable:**

Net position whose use is subject to externally imposed conditions that can be fulfilled by the actions of the University or by the passage of time.

**Unrestricted component of net position:**

Included in unrestricted component of net position are amounts provided for specific use by the University's colleges, hospitals and clinics, and separate legal entities included in the University's reporting entity that are designated for those entities and, therefore, not available for other purposes.

The University has adopted a policy of generally utilizing restricted - expendable funds, when available, prior to unrestricted funds.

**Revenues**

Revenues are recognized in the accounting period when earned. State appropriations are recognized when they are made legally available for expenditure. Revenues and expenditures arising from nonexchange transactions are recognized when all eligibility requirements, including time requirements, are met. Promises of private donations are recognized at fair value. Net patient service revenue for the hospitals is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors.

Tuition and fees and auxiliary sales and service revenues are reported net of scholarship discounts and allowances. Auxiliary sales and service revenue classifications were reported net of the following scholarship discount and allowance amounts for the fiscal year (in thousands):

Residence halls	\$14,255
Other auxiliary	8,373

**Deferred Outflows and Deferred Inflows of Resources**

Deferred outflows of resources are defined as a consumption of net assets by a college or university that is applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of net assets by the college or university that is applicable to a future reporting period. Deferred inflows and deferred outflows of resources include amounts related to changes in the net pension and OPEB liabilities of the University's cost sharing pension plans and the OPEB plans due to changes between expected and actual claims experience and changes in actuarial assumptions such as

## ANNUAL FINANCIAL REPORT

### NOTES TO FINANCIAL STATEMENTS

the discount rate used to determine the respective liability. Deferred outflows of resources also include losses resulting from refinancing of debt which represents the difference between the reacquisition price and the net carrying amount of the old debt and is amortized over the life of the related debt.

### Compensated Absences

Employees accrue annual leave based primarily on the number of years employed up to a maximum rate of 21 days per year up to a maximum of 40 days.

### Inventories

Inventories held by the University are primarily stated at the lower of cost or market value on a first-in, first-out basis.

### Fringe Benefits

Employee fringe benefit costs (e.g., health insurance, worker's compensation, retirement and post-retirement benefits) are paid by the State on behalf of the University (except for the University hospitals and Research Foundation, which pay their own fringe benefit costs) at a fringe benefit rate determined by the State. The University records an expense and corresponding State appropriation revenue for fringe benefit costs based on the fringe benefit rate applied to total eligible personal service costs incurred.

### Tax Status

The University and the Construction Fund are political subdivisions of the State and are, therefore, generally exempt from federal and state income taxes under applicable federal and state statutes and regulations.

The Research Foundation is a not-for-profit corporation as described in Section 501(c) (3) of the Internal Revenue Service Code and is tax-exempt on related income, pursuant to Section 501(a) of the code.

### Use of Estimates

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

### Reclassifications

Certain amounts displayed in the 2018 financial statements have been reclassified to conform to the 2019 presentation.

## 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined as current operating assets that include investments with original maturities of less than 90 days, except for cash and cash equivalents held in investment pools which are included in short-term and long-term investments in the accompanying balance sheet.

Restricted cash and cash equivalents represent unspent funds under various capital financing arrangements, cash held for others, and cash restricted for loan programs.

Cash held in the State treasury beyond immediate need is pooled with other State funds for investment purposes. The pooled balances are limited to legally stipulated investments which include obligations of, or are guaranteed by, the United States, obligations of the State and its political subdivisions, and repurchase agreements. These investments are reported at cost (which approximates fair value) and are held by the State's agent in its name on behalf of the University.

The New York State Comprehensive Annual Financial Report contains the GASB No. 40 risk disclosures for deposits held in the State treasury. Deposits not held in the State treasury that are not covered by depository insurance and are: (a) uncollateralized were \$0 and (b) collateralized with securities held by a pledging financial institution were \$47.9 million at June 30, 2019.



### 3. DEPOSITS WITH TRUSTEES

Deposits with trustees primarily represent Dormitory Authority of the State of New York (DASNY) bond proceeds needed to finance capital projects and to establish required building and equipment replacement and debt service reserves. Pursuant to financing agreements with DASNY, bond proceeds, including interest income, are restricted for capital projects or debt service. Also included are non-bond proceeds which have been designated for capital projects and equipment.

### 4. INVESTMENTS

Investments of the University are recorded at fair value. Investment income is recorded on the accrual basis, and purchases and sales of investment securities are reflected on a trade date basis. Any net earnings not expended are included as increases in restricted - nonexpendable net position if the terms of the gift require that such earnings be added to the principal of a permanent endowment fund, or as increases in restricted - expendable net position as provided for under the terms of the gift, or as unrestricted.

Investments are comprised of investments of the Research Foundation. The Research Foundation maintains a diverse investment portfolio and follows an investment policy and asset guidelines approved and monitored by its board of directors. The portfolio is mainly comprised of mutual funds, exchange-traded funds and alternative investments of high quality and liquidity. Investments are held with the investment custodian in the Research Foundation's name. Investments at fiscal year end are \$132 million.

### 5. ACCOUNTS, NOTES, AND LOANS RECEIVABLE

At June 30, 2019, accounts, notes, and loans receivables are summarized as follows (in thousands):

	2019	2018
Tuition and fees	\$2,114	\$6,306
Allowance for uncollectible	(1,671)	(1,521)
<b>Net tuition and fees</b>	<b>443</b>	<b>4,785</b>
Room rent	1,017	1,041
Allowance for uncollectible	(306)	(326)
<b>Net room rent</b>	<b>711</b>	<b>715</b>
Patient fees, net of contractual allowances	465,999	508,721
Allowance for uncollectible	(177,266)	(218,223)
<b>Net patient fees</b>	<b>288,733</b>	<b>290,498</b>
<b>Other, net</b>	<b>18,631</b>	<b>4,806</b>
<b>Total accounts receivable and notes receivable</b>	<b>308,518</b>	<b>300,804</b>
Student loans	6,485	7,739
Allowance for uncollectible	(1,263)	(1,288)
<b>Total student loans receivable</b>	<b>5,222</b>	<b>6,451</b>
<b>TOTAL, NET</b>	<b>\$313,740</b>	<b>\$307,255</b>

## ANNUAL FINANCIAL REPORT

### NOTES TO FINANCIAL STATEMENTS

## 6. CAPITAL ASSETS

Capital assets, net of accumulated depreciation, totaled \$2.5 billion. Capital asset activity is reflected in the table below (in thousands). Retirements represent capital assets retired and assets transferred from construction in progress for projects completed and the related capital assets placed in service.

	JUNE 30 2017	ADDITIONS	RETIREMENTS	JUNE 30 2018	ADDITIONS	RETIREMENTS	JUNE 30 2019
Land	\$189,965	\$2,947	\$4	\$192,908	\$24,583		\$217,491
Infrastructure and land improvements	191,527	10,530	2,292	199,765	82,339	\$11,104	271,000
Buildings	2,063,785	151,686	15,294	2,200,177	470,793	8,612	2,662,358
Equipment, library books and artwork	608,789	68,761	10,046	667,504	59,310	17,959	708,855
Construction in progress	557,529	143,498	116,911	584,116	143,549	515,812	211,853
<b>Total Capital Assets</b>	<b>3,611,595</b>	<b>377,422</b>	<b>144,547</b>	<b>3,844,470</b>	<b>780,574</b>	<b>553,487</b>	<b>4,071,557</b>
Less: accumulated depreciation:							
Infrastructure and land improvements	82,141	8,589	1,387	89,343	11,946	931	100,358
Buildings	805,432	62,431	13,164	854,699	69,394	7,210	916,883
Equipment, library books and artwork	503,288	36,191	7,506	531,973	34,182	15,169	550,986
<b>Total accumulated depreciation</b>	<b>1,390,861</b>	<b>107,211</b>	<b>22,057</b>	<b>1,476,015</b>	<b>115,522</b>	<b>23,310</b>	<b>1,568,227</b>
<b>CAPITAL ASSETS, NET</b>	<b>\$2,220,734</b>	<b>\$270,211</b>	<b>\$122,490</b>	<b>\$2,368,455</b>	<b>\$665,052</b>	<b>\$530,177</b>	<b>\$2,503,330</b>

## 7. LONG-TERM LIABILITIES

The University has entered into capital leases and other financing agreements with DASNY to finance most of its capital facilities. The University has also entered into financing arrangements with the New York Power Authority under the statewide energy services program. Equipment purchases are also made through DASNY's Tax-exempt Equipment Leasing Program (TELP), various state sponsored equipment leasing programs, or private financing arrangements. At June 30, 2019, other than facilities obligations, which are included as of March 31, 2019, total obligations are summarized in the table on the following page (in thousands).

	JUNE 30, 2017			JUNE 30, 2018			JUNE 30, CURRENT 2019 PORTION	
	ADDITIONS	REDUCTIONS		ADDITIONS	REDUCTIONS			
Long-term debt:								
Educational Facilities	\$946,886	\$120,564	\$36,730	\$1,030,720	\$211,737	\$31,019	\$1,211,438	\$34,518
Residence Hall Facilities	314,183	15,247	8,790	320,640	21,215	12,476	329,379	11,491
Capital Leases	60,052	16,068	15,382	60,738	25,181	18,872	67,047	13,929
Southampton Hospital		39,663		39,663	15,337	5,509	49,491	4,789
Other long-term debt - Gyrodyne	21,400		1,600	19,800		1,600	18,200	1,600
Other long-term debt -SUNY 2020	15,083		528	14,555	1,780	696	15,639	803
<b>Total long-term debt</b>	<b>1,357,604</b>	<b>191,542</b>	<b>63,030</b>	<b>1,486,116</b>	<b>275,250</b>	<b>70,172</b>	<b>1,691,194</b>	<b>67,130</b>
Other long term liabilities:								
Post-employment and post-retirement	99,432	42,840	58,403	83,869	55,077	43,686	95,260	48,902
Loan from State	11,049	149		11,198	256		11,454	11,454
Litigation	130,707	49,460	210	179,957	60,423	6,550	233,830	9,090
Pensions	139,063	44,377	118,780	64,660	93,422	46,174	111,908	3,380
Other		2,466		2,466		413	2,053	
<b>Total other long-term liabilities</b>	<b>380,251</b>	<b>139,292</b>	<b>177,393</b>	<b>342,150</b>	<b>209,178</b>	<b>96,823</b>	<b>454,505</b>	<b>72,826</b>
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$1,737,855</b>	<b>\$330,834</b>	<b>\$240,423</b>	<b>\$1,828,266</b>	<b>\$484,428</b>	<b>\$166,995</b>	<b>\$2,145,699</b>	<b>\$139,956</b>

### Educational Facilities

The University, through DASNY, has entered into financing agreements to finance various educational facilities which have a maximum 30-year life. Athletic facility debt is aggregated with educational facility debt. Debt service is paid by, or from specific appropriations of, the State. During the year, Personal Income Tax Revenue Bonds (PIT) and Sales Tax Revenue Bonds were issued for the purpose of financing capital construction and major rehabilitation for educational facilities in the amount of \$212 million.

### Residence Hall Facilities

The University has entered into capital lease agreements for residence hall facilities. DASNY bonds for residence hall facilities, which have a maximum 30-year life, are repaid from room rentals and other residence hall revenues. Upon repayment of the bonds, including interest thereon, and the satisfaction of all other obligations under the lease agreements, DASNY shall convey to the University all rights, title, and interest in the assets financed by the capital lease agreements. Residence hall facilities revenue realized during the year from facilities from which there are bonds outstanding is pledged as a security for debt service and is assigned to DASNY to the extent required for debt service purposes. Any excess funds pledged to DASNY are available for residence hall capital and operating purposes.

In March 2013, the State enacted legislation amending the Public Authorities Law and Education Law of the State. The amendments, among other things, authorized the University to assign to DASNY all of the University's rights, title and interest in dormitory facilities revenues derived from payments made by students and others for use and occupancy of certain dormitory facilities. The amendments further authorize DASNY to issue Dormitory Facilities Revenue Bonds payable from and secured by the dormitory facilities revenues assigned to it by the University. The enacted legislation also created a special fund to be held by the State's Commissioner of Taxation and Finance on behalf of DASNY. All dormitory facilities revenues collected by the University are required to be deposited in this special fund.

## **ANNUAL FINANCIAL REPORT**

### NOTES TO FINANCIAL STATEMENTS

#### **Capital Lease Arrangements**

The University leases equipment under DASNY TELP, New York State Personal Income Tax Revenue Bonds, certificates of participation (COPs), vendor financing, or through statewide lease purchase agreements. The University is responsible for lease debt service payments sufficient to cover the interest and principal amounts due under these arrangements.

#### **Loan - State STIP Pool**

In prior years, the University experienced operating cash-flow deficits precipitated by cash-flow difficulties experienced by the Hospital. In connection with these cash-flow deficits, as authorized by State Finance Law, the University borrowed funds with interest from the short-term investment pool of the State. The amount outstanding under this borrowing from the State at June 30, 2019, was \$11.5 million.

## **8. RETIREMENT**

### **Retirement Benefits**

There are three major retirement plans for University state employees: The New York State and Local Employees' Retirement System (ERS), The New York State and Local Police and Fire Retirement System (PFRS), and the New York State Teacher's Retirement System (TRS). ERS and PFRS are cost-sharing, multiple-employer, defined benefit public plans administered by the State Comptroller. TRS is a cost-sharing, multiple-employer, defined benefit public plan separately administered by a ten member board. Substantially all full-time employees participate in the plans. The State University of New York (SUNY) is responsible for the net pension liability for employees of the University, except for the hospital's net pension liability.

Obligations of employers and employees to contribute, and related benefits, are governed by the New York State Retirement and Social Security Law (NYSRSSL) and Education Law and may only be amended by the Legislature with the Governor's approval. These plans offer a wide range of programs and benefits. ERS, PFRS and TRS benefits vary based on date of membership, years of credited service and final average salary, vesting of retirement benefits, death and disability benefits, and optional methods of benefit payments. Each plan provides a permanent annual cost-of-living increase to both current and future retired members meeting certain eligibility requirements. Participating employers are required under law to contribute to these plans on an actuarially determined rate. For ERS and PFRS this rate is determined annually by the State Comptroller.

ERS, PFRS and TRS provide retirement benefits as well as death and disability benefits. Benefits generally vest after five years of credited service, or after ten years of service for those joining after January 1, 2010 or January 9, 2010 (PFRS). The NYSRSSL provides that all participants in ERS, PFRS and TRS are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating employers. Employees who joined after July 27, 1976 and before January 1, 2010 (January 9, 2010 PFRS), and have less than ten years of service or membership are required to contribute 3 percent of their salary. Those joining on or after January 1, 2010 (January 9, 2010 PFRS) and before April 1, 2012 are required to contribute 3.5 percent of their annual salary for their entire working career. Those joining on or after April 1, 2012 are required to contribute between 3 percent and 6 percent, dependent upon their salary, for their entire working career. Employee contributions are deducted from their salaries and remitted on a current basis to ERS, PFRS and TRS.



### ERS and PFRS - Hospital

The University recognized a net pension liability for the hospital's proportionate share of the ERS and PFRS net pension liabilities at June 30, 2019 of \$91.1 million and \$327.6 thousand, respectively. The net pension liability at June 30, 2019 was measured as of March 31, 2019, and was determined by an actuarial valuation as of April 1, 2018, with update procedures used to roll forward the total pension liability to March 31, 2019. For the fiscal ended June 30, 2019 the University recognized pension expense related to ERS and PFRS of \$53.5 million and \$174.8 thousand, respectively. The total contributions made to the ERS and PFRS, during 2019 were \$42.8 million and \$108.2 thousand, respectively. At June 30, 2019 the University reported deferred outflows and deferred inflows of resources related to ERS and PFRS from the following sources (in thousands):

	ERS		PFRS	
	DEFERRED OUTFLOW OF RESOURCES	DEFERRED INFLOW OF RESOURCES	DEFERRED OUTFLOW OF RESOURCES	DEFERRED INFLOW OF RESOURCES
<b>YEARS ENDING JUNE 30, 2019</b>				
Difference between expected and actual experience	\$17,933	\$6,113	\$80	\$35
Changes of Assumptions	22,891		119	
Net difference between projected and actual earnings on pension plan investments		23,373		66
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,780	14,541	92	241
<b>TOTAL</b>	<b>\$44,604</b>	<b>\$44,027</b>	<b>\$291</b>	<b>\$341</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS pensions will be recognized in pension expense as follows (in thousands):

YEARS ENDED JUNE 30,	ERS	PFRS
2019	\$14,350	\$26
2020	(21,077)	(53)
2021	(3,716)	(40)
2022	11,020	13
2023		4
<b>TOTAL</b>	<b>\$577</b>	<b>(\$51)</b>

The ERS plan allows participating employers to amortize a portion of their annual pension costs. The amounts amortized will be paid back with interest over 10 years. The University participates in this program and the total pension payable included in long-term liabilities at June 30, 2019 is \$20.5 million.

## ANNUAL FINANCIAL REPORT

### NOTES TO FINANCIAL STATEMENTS

#### ORP

University employees may also participate in an Optional Retirement Program (ORP) under IRS Section 401(a) which is a multiple-employer, defined contribution plan administered by separate vendors – TIAA, Fidelity, VALIC, and VOYA. ORP employer and employee contributions are dictated by State law. The ORP provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in an ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. Employer contributions are not remitted to an ORP plan until an employee is fully vested. As such there are no forfeitures reported by these plans if an employee is terminated prior to vesting. Employees who joined an ORP after July 27, 1976, and have less than ten years of service or membership are required to contribute 3 percent of their salary. Those joining on or after April 1, 2012 are required to contribute between 3 percent and 6 percent, dependent upon their salary, for their entire working career. Employer contributions range from 8 percent to 15 percent depending upon when the employee was hired. Employee contributions are deducted from their salaries and remitted on a current basis to the respective ORP.

The Research Foundation maintains a separate non-contributory plan through TIAA for substantially all of its nonstudent employees. Employees become fully vested in contributions made by the Research Foundation after one year of service, which are allocated to individual employee accounts. Employer contributions are based on a percentage of regular salary and range from 7 percent to 15 percent, depending on date of hire.

#### Post-employment and Post-retirement Benefits

The State, on behalf of the University, provides health insurance coverage for eligible retired University state employees and their survivors through the New York State Health Insurance Plan (NYSHIP). NYSHIP offers comprehensive benefits through various providers consisting of hospital, medical, mental health, substance abuse and prescription drug programs. The State administers NYSHIP and has the authority under Article XI of Civil Service Law to establish and amend the benefit provisions offered. NYSHIP is considered a single employer defined benefit plan offered by the State to its participants. Prior to July 1, 2018, the University, as a participant in the plan, recognized the other post-employment benefit (OPEB) expenses on an accrual basis. During the current year, SUNY collectively with the University's approval removed OPEB costs from the University's financial statements which resulted in restatements of the net position at 7/1/2018 and the comparative statements for fiscal year 2018.

#### Research Foundation Post-employment and Post-retirement Benefits

The Research Foundation sponsors a separate single employer defined benefit post-retirement plan (Plan) that covers substantially all non-student employees. The plan provides post-retirement medical benefits and is contributory for employees hired after 1985.

In fiscal years 2011 and 2013, the Research Foundation amended the plan to increase the participant contribution rates for those hired after 1985 with the specific rates to be determined based on an employee's years of service.

Contributions by the Research Foundation are made pursuant to a funding policy established by its Board of Directors. Assets are held in a Voluntary Employee Benefit Association (VEBA) trust and are considered plan assets in determining the funded status or funding progress of the plan under GASB reporting and measurement standards.

## ANNUAL FINANCIAL REPORT

### NOTES TO FINANCIAL STATEMENTS

The Research Foundation's net OPEB liability was \$14.5 million for the fiscal year ended June 30, 2019. The Research Foundation's net OPEB liability at June 30, 2019 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2018, with update procedures used to roll-forward the net OPEB liability to June 30, 2019. For fiscal year ended June 30, 2019, the Research Foundation recognized pension expense of \$1.4 million and reported deferred outflows and deferred inflows of resources related to OPEB from the following sources (in thousands):

<b>YEARS ENDING JUNE 30, 2019</b>	<b>RESEARCH FOUNDATION OPEB DEFERRED OUTFLOW OF RESOURCES</b>	<b>DEFERRED INFLOW OF RESOURCES</b>
Difference between expected and actual experience	\$2,817	\$3,737
Changes in assumptions	\$9,590	5,611
Employer contributions subsequent to measurement date		2,748
<b>TOTAL</b>	<b>\$12,408</b>	<b>\$12,096</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows (in thousands):

<b>YEARS ENDING JUNE 30,</b>	
2020	(\$332)
2021	(332)
2022	(985)
2023	1,961
<b>TOTAL</b>	<b>\$312</b>

## 9. COMMITMENTS

The University has entered into contracts for the construction and improvement of various projects. The University is also committed under numerous operating leases covering real property and equipment. Rental expenditures reported for the year under such operating leases were approximately \$9.1 million. The following is a summary of the future minimum rental commitments under non-cancelable real property and equipment leases with terms exceeding one year (in thousands).

<b>YEARS ENDING JUNE 30,</b>	
2020	\$6,842
2021	5,299
2022	4,346
2023	3,718
2024	3,633
2025-29	4,593
<b>TOTAL</b>	<b>\$28,431</b>

## **ANNUAL FINANCIAL REPORT**

### NOTES TO FINANCIAL STATEMENTS

#### **10. CONTINGENCIES**

The State is contingently liable in connection with claims and other legal actions involving the University, including those currently in litigation arising in the normal course of University activities. The University does not carry malpractice insurance and, instead, administers these types of cases in the same manner as all other claims against the State involving University activities in that any settlements of judgments and claims are paid by the State from an account established for this purpose. With respect to pending and threatened litigation, the medical malpractice liability includes incurred but not reported (IBNR) loss estimates. The estimate of IBNR losses is actuarially determined based on historical experience using a discounted present value of estimated future cash payments. The University has recorded a liability and a corresponding appropriation receivable of approximately \$234 million at June 30, 2019.

The University is exposed to various risks of loss related to damage and destruction of assets, injuries to employees, damage to the environment or noncompliance with environmental requirements, and natural and other unforeseen disasters. The University has insurance coverage for its residence hall facilities. However, in general, the University does not insure its educational buildings, contents or related risks and does not insure its vehicles and equipment for claims and assessments arising from bodily injury, property damages, and other perils. Unfavorable judgments, claims, or losses incurred by the University are covered by the State on a self-insured basis. The State does have fidelity insurance on State employees.

#### **11. RELATED PARTIES**

The University's single largest source of revenue is State appropriations. State appropriations take the form of direct assistance, debt service on educational facility, fringe benefits for State employees, and litigation expenses for which the State is responsible. State appropriations totaled \$581 million and \$542 million and represented approximately 19.2 percent and 19.1 percent of total revenues for the 2019 and 2018 fiscal years, respectively. The University's continued operational viability is substantially dependent upon a consistent and proportionate level of ongoing State support.

#### **12. FEDERAL GRANTS AND CONTRACTS AND THIRD-PARTY REIMBURSEMENT**

Substantially all federal grants and contracts are subject to financial and compliance audits by the grantor agencies of the federal government. Disallowances, if any, as a result of these audits may become liabilities of the University. University management believes that no material disallowances will result from audits by the grantor agencies.

The University's hospitals have agreements with third-party payors, which provide for reimbursement to the hospitals at amounts different from their established charges. Contractual service allowances and discounts (reflected through the University hospitals and clinics sales and services) represent the difference between the hospitals' established rates and amounts reimbursed by third-party payors. The University has made provision in the accompanying financial statements for estimated retroactive adjustments relating to third-party payors cost reimbursement items.



**13. CONDENSED FINANCIAL STATEMENT INFORMATION OF THE RESEARCH FOUNDATION**

The condensed financial statement information of the Research Foundation, contained in the combined totals of the University reporting entity in accordance with GASB accounting and reporting requirements, is shown below (in thousands):

<b>RESEARCH FOUNDATION CONDENSED BALANCE SHEET</b>	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Current assets	\$167,549	\$157,361
Capital assets	8,923	9,900
Other assets	13,673	2,857
<b>Total assets</b>	<b>190,145</b>	<b>170,118</b>
<b>LIABILITIES</b>		
Current liabilities	62,810	62,420
Noncurrent liabilities	51,914	38,690
<b>Total liabilities</b>	<b>114,724</b>	<b>101,110</b>
<b>NET POSITION</b>		
Without donor restrictions	75,421	69,008
<b>Total net position</b>	<b>75,421</b>	<b>69,008</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>190,145</b>	<b>170,118</b>
<b>CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</b>		
<b>OPERATING REVENUES</b>		
Federal grants and contracts	\$150,846	\$147,304
State Grants and Contracts	12,373	11,018
Private Grants and Contracts	22,057	22,791
Other operating revenues	28,691	30,854
<b>Total operating revenues</b>	<b>213,967</b>	<b>211,967</b>
<b>EXPENSES</b>		
Instruction	16,645	22,317
Research	114,785	110,070
Public service	13,936	12,553
Institutional support	32,749	34,860
Other operating expenses	9,060	6,795
Depreciation and amortization expense	1,553	1,760
<b>Total operating expenses</b>	<b>188,728</b>	<b>188,355</b>
<b>Operating Income</b>	<b>25,240</b>	<b>23,612</b>
Net nonoperating revenues/(expenses)	(18,826)	(147)
<b>Increase in net position</b>	<b>6,413</b>	<b>23,465</b>
Net position at the beginning of year	69,008	45,543
<b>NET POSITION AT THE END OF YEAR</b>	<b>\$75,421</b>	<b>\$69,008</b>
<b>RESEARCH FOUNDATION CONDENSED STATEMENT OF CASH FLOWS</b>		
Cash flows used by operating activities	(\$1,795)	(\$2,362)
Cash flows used by capital and related financing activities	(666)	(1,178)
Cash flows from investing activities	4,088	3,604
<b>Net change in cash</b>	<b>1,627</b>	<b>64</b>
Cash - beginning of year	128	64
<b>CASH - END OF YEAR</b>	<b>\$1,755</b>	<b>\$128</b>

## ANNUAL FINANCIAL REPORT

### NOTES TO FINANCIAL STATEMENTS

#### 14. SUBSEQUENT EVENTS

In 2016, the University received Board approval to enter into an agreement with Eastern Long Island Hospital Association to affiliate with Eastern Long Island Hospital, a 90 bed acute care facility that provides inpatient and outpatient services on the northern fork of Suffolk County. The envisioned arrangement would have the University leasing the Eastern Long Island Hospital building and current employees and transfer of beds, operations and non-fixed operating assets to the University with Eastern Long Island Hospital operating under the University's operating license. The affiliation was approved by the State of New York regulatory authorities and the Suffolk County Supreme Court and the transaction was closed on July 1, 2019.

#### 15. RESTATEMENT

The elimination of OPEB costs and a debt restatement were applied retroactively to the beginning net position at July 1, 2017. The following is a reconciliation of the total net position as previously reported at July 1, 2017 to the total restated net position (in thousands):

Total net position as previously reported at July 1, 2017	(\$1,656,401)
Elimination of University's OPEB costs that are State obligations	2,624,272
Debt restatement	38,379
<b>TOTAL NET POSITION AT JULY 1, 2017 (RESTATED)</b>	<b>\$1,006,250</b>

As discussed in Note 8, the State University of New York is liable for the OPEB costs on behalf on Stony Brook University. Prior to 7/1/2018, University statements reflected these costs within the financial statements. During the current year, SUNY collectively with the University's approval, removed OPEB costs from the University's financial statements resulting in restatements of the net position at 7/1/2018 and the comparative statements for fiscal year 2018.

## 16. COMPONENT UNITS

The reported totals of the discretely presented component units include the campus related Foundation and the auxiliary service entity, the Faculty Student Association (FSA). The Foundation is a nonprofit organization responsible for the fiscal administration of revenues and support received for the promotion, development and advancement of the welfare of the University, and its students, faculty, staff and alumni. The Foundation receives the majority of their support and revenues through contributions, gifts and grants and provides benefits to their campus, students, faculty, staff and alumni. The FSA is a campus-based, legally separate, nonprofit organization which, as independent contractor, operates, manages and promotes educationally related services for the benefit of the campus community.

These organizations are exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. All of the financial data for these organizations were derived from each entity's individual audited financial statements, reported in accordance with generally accepted accounting principles promulgated by FASB, as of June 30, 2019. During the year, the Foundation distributed \$28.4 million to the University, principally for scholarships.

### Recently Adopted Accounting Pronouncements

The Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-14: *Presentation of Financial Statements of Not-For-Profit Entities*. The update addresses the complexity and understandability of net asset classification and the lack of consistency in the type of information provided about expenses and investment return. The significant requirements of the new ASU include the reduction of the number of net asset classes from three to two (without donor restrictions and with donor restrictions) and the presentation of expenses by their function and their natural classification in one location. ASU 2016-14 is effective for the year ending June 30, 2019 and was applied retrospectively. The effects of adoption are included in the discretely presented aggregate component unit financial statements.

### Net Asset Classifications

Net assets without donor restrictions represent resources whose uses are not restricted by donor-imposed stipulations and are generally available for the support of the University campus and Foundation programs and activities. Net assets with donor restrictions represent resources whose use is subjected to donor-imposed stipulations. Some of these restrictions are temporary in nature, such as those that will be met with the passage of time or are removed by specific actions. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The income derived from net assets with donor restrictions that is permanent in nature is permitted to be spent in part or in whole, restricted only by the donor's wishes.

### Investments

All investments with readily determinable fair values have been reported in the financial statements at fair value. Realized and unrealized gains and losses are recognized in the statement of activities. Gains or losses on investments are recognized as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulations or by law. Investments of the University discretely presented component units were \$332 million as of June 30, 2019.

## ANNUAL FINANCIAL REPORT

### NOTES TO FINANCIAL STATEMENTS

#### Capital Assets

Capital assets are stated at cost, if purchased, or fair value at date of receipt, if acquired by gift. Land improvements, buildings, and equipment are depreciated over their estimated useful lives using the straight-line method. Capital assets, net of accumulated depreciation, totaled \$32.4 million as of June 30, 2019. Capital asset classifications are summarized as follows (in thousands):

Land and land improvements	\$1,513
Buildings	34,593
Equipment	8,589
Art and library books	6,364
Construction in progress	71
<b>Total capital assets</b>	<b>51,130</b>
Less accumulated depreciation	18,762
<b>CAPITAL ASSETS, NET</b>	<b>\$32,368</b>

#### Long-term Debt

The component units have entered into various financing arrangements, through the issuance of Industrial Development Agency, Local Development Corporation, and Housing Authority bonds for the construction of student residence hall facilities and a day care center. The following is a summary of the future minimum annual debt service requirements (in thousands):

<b>YEARS ENDING JUNE 30</b>	
2020	\$785
2021	297
<b>TOTAL</b>	<b>\$1,082</b>

## Condensed Financial Statement Information

The table below displays the combined totals of the Foundation and auxiliary services corporation (FSA) (in thousands):

<b>COMBINED BALANCE SHEETS</b>						
	<b>FOUNDATION</b>	<b>2019 FSA</b>	<b>TOTAL</b>	<b>FOUNDATION</b>	<b>2018 FSA</b>	<b>TOTAL</b>
<b>ASSETS</b>						
Investments	\$386,641	\$11,547	\$398,188	\$329,059	\$10,885	\$339,944
Capital assets, net	11,269	21,099	32,368	11,786	20,532	32,318
Other assets	161,117	29,474	190,591	168,792	31,672	200,464
<b>Total assets</b>	<b>559,027</b>	<b>62,120</b>	<b>621,147</b>	<b>509,637</b>	<b>63,089</b>	<b>572,726</b>
<b>LIABILITIES</b>						
Other liabilities	46,742	19,400	66,142	39,311	23,302	62,613
Long-term debt/other	383	699	1,082	638	1,165	1,803
<b>Total liabilities</b>	<b>47,125</b>	<b>20,099</b>	<b>67,224</b>	<b>39,949</b>	<b>24,467</b>	<b>64,416</b>
<b>NET ASSETS</b>						
Net assets without donor restrictions	41,041	42,021	83,062	37,238	38,622	75,860
Net assets with donor restrictions	470,861		470,861	432,450		432,450
<b>Total Net Assets</b>	<b>511,902</b>	<b>42,021</b>	<b>553,923</b>	<b>469,688</b>	<b>38,622</b>	<b>508,310</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$559,027</b>	<b>\$62,120</b>	<b>\$621,147</b>	<b>\$509,637</b>	<b>\$63,089</b>	<b>\$572,726</b>
<b>COMBINED STATEMENT OF ACTIVITIES</b>						
<b>REVENUES</b>						
Contributions, gifts and grants	\$64,976		\$64,976	\$58,569		\$58,569
Food and auxiliary services		43,008	43,008		43,396	43,396
Other revenue	28,988	725	29,713	34,843	781	35,624
<b>Total revenues</b>	<b>93,964</b>	<b>43,733</b>	<b>137,697</b>	<b>93,412</b>	<b>44,177</b>	<b>137,589</b>
<b>EXPENSES</b>						
Food and auxiliary services		33,595	33,595		36,072	36,072
Program expenses	17,870		17,870	29,447		29,447
Other expenses	33,880	6,739	40,619	31,740	5,615	37,355
<b>Total expenses</b>	<b>51,750</b>	<b>40,334</b>	<b>92,084</b>	<b>61,187</b>	<b>41,687</b>	<b>102,874</b>
<b>Total change in net assets</b>	<b>42,214</b>	<b>3,399</b>	<b>45,613</b>	<b>32,225</b>	<b>2,490</b>	<b>34,715</b>
Net assets at the beginning of year	469,688	38,622	508,310	437,463	36,132	473,595
<b>NET ASSETS AT THE END OF YEAR</b>	<b>\$511,902</b>	<b>\$42,021</b>	<b>\$553,923</b>	<b>\$469,688</b>	<b>\$38,622</b>	<b>\$508,310</b>



## ANNUAL FINANCIAL REPORT

### NOTES TO FINANCIAL STATEMENTS

Expenses are presented by functional classification in accordance with the overall service missions of the component units. Each functional classification displays all expenses related to the underlying operations by natural classification. Expenses by functional classification for the year ended June 30, 2019 consist of the following (in thousands):

<b>FUNCTIONAL EXPENSES</b>	<b>FOOD SERVICE</b>	<b>OTHER AUXILIARY SERVICES</b>	<b>PROGRAM EXPENSES</b>	<b>MANAGEMENT AND GENERAL</b>	<b>FUNDRAISING</b>	<b>2019 TOTAL</b>
<b>EXPENSES</b>						
Salaries and wages	\$10,906	\$491	\$4,289	\$4,450	\$1,300	\$21,436
Employee benefits	5,297	193	1,276	1,800	520	9,086
Cost of goods sold	8,390	456				8,846
Supplies and materials	724		1,753	172	224	2,873
Printing and postage			353	9	396	758
Travel and conferences			4,057	39	194	4,290
Rent and equipment			1,450	33	89	1,572
Repairs, maintenance and improvements	1,913	167	692	103	66	2,941
Insurance			64	73		137
Utilities			78	10	1	89
Professional and service fees	1,968	172	3,378	569	1,639	7,726
Depreciation expense	1,676	67	234	104		2,081
Interest expense			14	26		40
Other expenses	1,080	94	233	189	229	1,825
<b>Expenses</b>	<b>31,954</b>	<b>1,640</b>	<b>17,871</b>	<b>7,577</b>	<b>4,658</b>	<b>63,700</b>
Support to the University						
Campus support - scholarships and fellowships						4,034
Campus support - other						24,350
<b>TOTAL EXPENSES</b>						<b>\$92,084</b>





Stony Brook  
University