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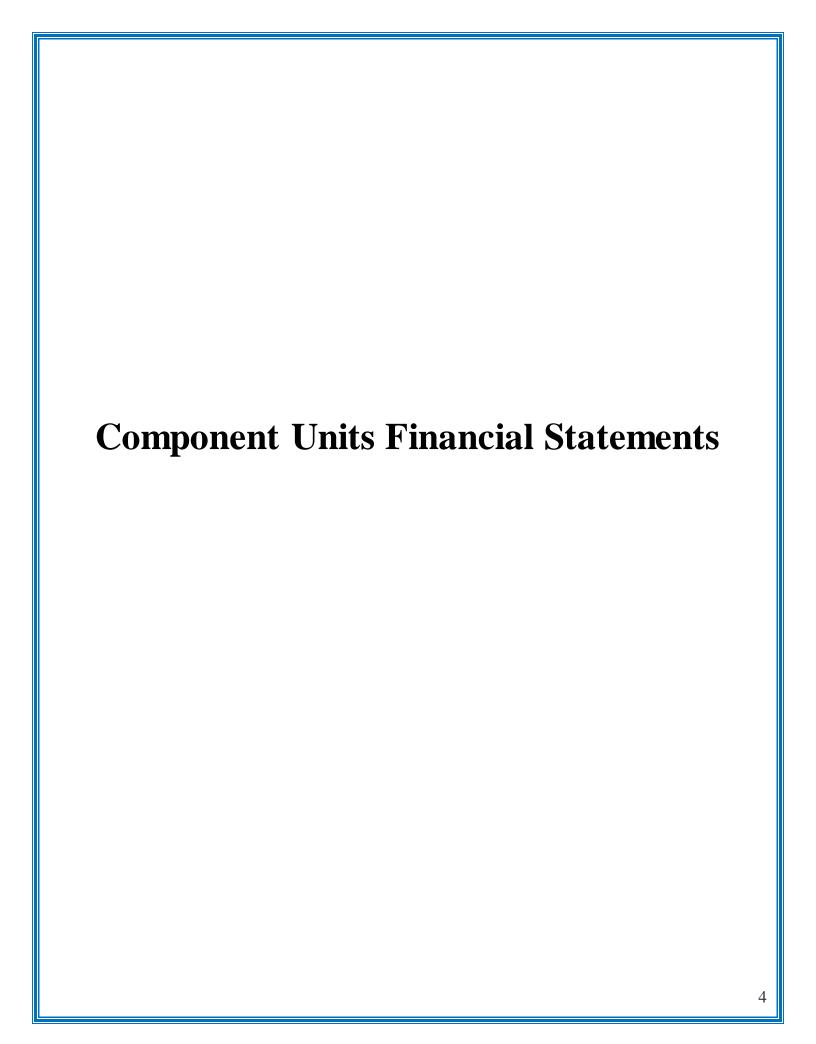


STATE UNIVERSITY OF NEW YORK AT BUFFALO ASSETS, LIABILITIES AND NET ASSETS BALANCE AT JUNE 30, 2018

		State		Research		
				Foundation		Total
<u>Assets</u>						
Comment and the						
Current assets: Cash and cash equivalents	•	242 607 362	•	144 271	\$	242 751 722
•	\$	242,607,362	\$	144,371		242,751,733
Accounts and notes receivable, net	\$	13,857,598	\$	209,781	\$	14,067,379
Other receivables	\$	16,867,046	\$	33,020,501	\$	49,887,547
Short-term investments	\$	-	\$	127,321,127	\$	127,321,127
Inventory	\$	2,330,418	\$	-	\$	2,330,418
Prepaid expenses	\$	1,969,826	\$	-	\$	1,969,826
Other assets	\$	-	\$	104,720	\$	104,720
Total current assets	\$	277,632,250	\$	160,800,500	\$	438,432,750
Noncurrent assets:						
Property, plant and equipment, net	\$	1,381,730,767	\$	9,647,807	\$	1,391,378,574
Loans receivable	\$	17,194,299	\$	-	\$	17,194,299
Other assets	\$	16,936,458	\$	2,896,917	\$	19,833,375
Total noncurrent assets	\$	1,415,861,524	\$	12,544,724	\$	1,428,406,248
Total assets		1,693,493,774	\$	173,345,224	\$	1,866,838,998
<u>Liabilities and Net Assets</u>						
<u>Current liabilities:</u>						
Accounts payable	\$	128,411,114	\$	21,033,531	\$	149,444,645
Current portion of long-term debt	\$	55,660,334	\$	3,741,680	\$	59,402,014
Deferred revenue	\$	1,185,383	\$	42,429,741	\$	43,615,124
Interest Payable	\$	5,334,456	\$	-	\$	5,334,456
Other current liabilities	\$	492,596	\$	378,546	\$	871,142
Total current liabilities	\$	191,083,883	\$	67,583,498	\$	258,667,381
Noncurrent liabilities:						
Long-term debt	\$	966,561,376	\$	-	\$	966,561,376
Deferred revenue	\$	-	\$	1,194,068	\$	1,194,068
Other long-term liabilities	\$	1,318,313,591	\$	8,669,414	\$	1,326,983,005
Total noncurrent liabilities	\$	2,284,874,967	\$	9,863,482	\$	2,294,738,449
Total liabilities		2,475,958,850	\$	77,446,980	\$	2,553,405,830
Net Assets:						
Unrestricted	2	(1,158,187,442)	\$	86,250,437	\$	(1,071,937,005)
Restricted - nonexpendable	\$	373,009,485	э \$	9,647,807	\$ \$	382,657,292
Restricted - nonexpendable Restricted - expendable	\$	2,712,881	\$	2,047,007 -	\$ \$	2,712,881
Total net assets		(782,465,076)	\$	95,898,244	\$	(686,566,832)
Total liabilities and net assets	_	1,693,493,774	\$	173,345,224	\$	1,866,838,998
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STATE UNIVERSITY OF NEW YORK AT BUFFALO STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

		State		Research		
				Foundation		Total
Operating Revenues:						
Tuition and fees, net	\$	292,050,739	\$	-	\$	292,050,739
Grants and contracts	\$	48,167,571	\$	141,856,271	\$	190,023,842
Other	\$	68,594,362	\$	3,982,842	\$	72,577,204
Auxiliary enterprises	\$	21,202,518	\$	-	\$	21,202,518
Hospitals and clinical revenue	\$	4,668,841	\$	-	\$	4,668,841
Total revenues	\$	434,684,031	\$	145,839,113	\$	580,523,144
Operating Expenses:						
Instruction	\$	378,093,040	\$	14,097,627	\$	392,190,667
Research	\$	28,190,922	\$	84,996,898	\$	113,187,820
Public service	\$	2,890,914	\$	5,607,979	\$	8,498,893
Academic support	\$	93,415,658	\$	11,107,001	\$	104,522,659
Student services	\$	31,445,459	\$	391,774	\$	31,837,233
Institutional support	\$	100,271,239	\$	26,178,404	\$	126,449,643
Operation and maintenance of plant	\$	103,129,976	\$	568,028	\$	103,698,004
Depreciation	\$	63,241,954	\$	2,100,321	\$	65,342,275
Scholarships and fellowships	\$	30,589,520	\$	945,497	\$	31,535,017
Hospitals and clinics	\$	8,380,083	\$	-	\$	8,380,083
Auxiliary enterprises	\$	72,671,221	\$	69,446	\$	72,740,667
Other expenses	\$	32,811,024	\$	-	\$	32,811,024
Total expenses	\$	945,131,010	\$	146,062,975	\$	1,091,193,985
Non-operating revenues (expenses):						
State appropriations	\$	455,340,234	\$	-	\$	455,340,234
State and Federal Aid Grants	\$	66,853,609	\$	-	\$	66,853,609
Net Gain on Investment	\$	3,793,131	\$	7,008,893	\$	10,802,024
Gifts and other non-operating revenue						
(expense)	\$	5,515,529	\$	2,707,157	\$	8,222,686
Interest expense	\$	(47,430,648)	\$	-	\$	(47,430,648)
Loss on disposal of plant assets	\$	(1,039,548)	\$	(6,265)	\$	(1,045,813)
Total non-operating revenues	\$	483,032,307	\$	9,709,785	\$	492,742,092
Capital Gifts and Grants	\$	5,300,587	\$	5,245,158	\$	10,545,745
Change in Net Assets	\$	(22,114,085)	\$	14,731,081	\$	(7,383,004)
Net Assets at the beginning of year	\$	(804,579,161)	¢	110 620 225	¢	(603 040 926)
Net assets at the end of year	\$ \$	(782,465,076)		110,629,325 95,898,244	\$ \$	(693,949,836) (686,566,832)
The assets at the chu of year	φ	(102,403,010)	φ	73,070,244	ψ	(000,300,032)



STATE UNIVERSITY OF NEW YORK AT BUFFALO COMPONENT UNITS ASSETS, LIABILITIES AND NET ASSETS BALANCE AT JUNE 30, 2018

	 2018
<u>Assets</u>	
Assets:	
Cash and cash equivalents	\$ 40,000,133
Accounts receivable, net	\$ 11,044,370
Other receivables	\$ 44,911,057
Inventory	\$ 924,282
Prepaid expenses and deposit	\$ 404,101
Property, plant and equipment, net	\$ 120,110,620
Investments	\$ 1,021,467,294
Fine Arts	\$ 12,193,190
Other assets	\$ 188,031
Total assets	\$ 1,251,243,078
Liabilities:	
T:=1:11:4:	
Accounts payable	\$ 13,064,448
Accrued expenses	\$ 12,714,077
Current portion of long-term debt	\$ 623,156
Deferred revenue	\$ 256,741
Long-term debt	\$ 136,134,526
Other long-term liabilities	\$ 27,209,214
Total liabilities	\$ 190,002,162
Net Assets:	
Unrestricted	\$ 330,145,885
Restricted - nonexpendable	\$ 200,552,192
Restricted - expendable	\$ 530,542,839
Total net assets	\$ 1,061,240,916
Total liabilities and net assets	\$ 1,251,243,078

See accompanying notes to financial statements

STATE UNIVERSITY OF NEW YORK AT BUFFALO COMPONENT UNITS STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

	ι	Inrestricted	emporarily Restricted	ermanently Restricted		Total
Revenues:						
Contributions, gifts and grants	\$	2,713,449	\$ 20,901,052	\$ 14,009,481	\$	37,623,982
Food Service	\$	40,704,252	\$ -	\$ -	\$	40,704,252
Other Auxilary services	\$	3,721,298	\$ -	\$ -	\$	3,721,298
Rental Income	\$	26,246,036	\$ -	\$ -	\$	26,246,036
Program income and special events	\$	7,232,761	\$ -	\$ -	\$	7,232,761
Investment Income, net	\$	27,270,710	\$ 59,743,397	\$ 467,816	\$	87,481,923
Net realized and unrealized gains	\$	1,193,171	\$ -	\$ -	\$	1,193,171
Change in value of split interest agreements	\$	-	\$ (40,870)	\$ 3,042,312	\$	3,001,442
Other Activities and services	\$	8,430,674	\$ -	\$ -	\$	8,430,674
Other Sources	\$	13,590,953	\$ -	\$ -	\$	13,590,953
Faculty Practice and Dental Training	\$	9,776,505	\$ -	\$ -	\$	9,776,505
Net Assets released from restrictions	\$	45,187,271	\$ (45,187,271)	\$ -	\$	-
Total revenues	\$	186,067,080	\$ 35,416,308	\$ 17,519,609	\$	239,002,997
Expenses:						
Food Service	\$	28,932,789	\$ -	\$ -	\$	28,932,789
Other auxiliary services	\$	2,872,494	\$ -	\$ -	\$	2,872,494
Program services	\$	80,346,543	\$ -	\$ -	\$	80,346,543
Real Estate	\$	21,811,125	\$ -	\$ -	\$	21,811,125
Management and General	\$	11,168,676	\$ -	\$ -	\$	11,168,676
Fundraising	\$	8,661,484	\$ -	\$ -	\$	8,661,484
Other expenses	\$	809,686	\$ -	\$ -	\$	809,686
Total expenses	\$	154,602,797	\$ -	\$ -	\$	154,602,797
Non-Operating Loss						
Loss on Defeasance of debt	\$	(8,921,431)	\$ -	\$ -	\$	(8,921,431)
Increase (decrease) net assets	\$	22,542,852	\$ 35,416,308	\$ 17,519,609	\$	75,478,769
Net Assets at the beginning of year	\$	307,603,033	\$ 495,126,531	\$ 183,032,583	\$	985,762,147
Net assets at the end of year	\$	330,145,885	\$ 530,542,839	\$ 200,552,192	\$ 1	1,061,240,916

See accompanying notes to financial statements

STATE UNIVERSITY OF NEW YORK AT BUFFALO NOTES TO FINANCIAL STATEMENTS

1. University at Buffalo Financial Presentation

In July 2018, The State University of New York at Buffalo (UB) 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 pronouncements. The University has relied on information provided by SUNY for the allocation of various net asset values not easily identified by the University

The State University of New York at Buffalo (UB) is comprised of various entities that are closely affiliated with UB and therefore are included within the campus financial statements. Inclusion in the reporting entity is based primarily on the notion of financial accountability.

Entities that meet these criteria and therefore are included in the financial statements are:

- State Operating dollars from the approved New York State budget.
- Income Fund Reimbursable (IFR) and State University Tuition Reimbursable Account (SUTRA) activity which are comprised of self-supporting programs providing services for students and clients and for administering other charged tuition and fees in excess of what is needed to support the state budget. These accounts also include fees for contract courses and summer/winter sessions.
- Construction fund dollars include State and The Research Foundation for SUNY assets that are tracked in the SUNY system along with the depreciation associated with those assets. This also includes State construction in progress and capitalized interest.
- SUNY Integrated Postsecondary Education Data System (IPED) reported financial information.
- The Research Foundation for SUNY (RF) is a private, nonprofit educational corporation that administers externally funded contracts and grants for and on behalf of SUNY.
- Auxiliary enterprises:
 - ➤ Dormitory Income Fund Reimbursable (DIFR), a self-supporting fund used to administer dormitory (residence hall) rental fees and charges.

These unaudited financial statements are prepared from information received from the entities listed above.

2. Fringe Benefits

Employee fringe benefits (i.e., health insurance, worker's compensation, retirement and post-retirement benefits) are paid by the State on behalf of UB for employees funded through State Operating accounts. Other State-held funding sources such as IFR/SUTRA along with non-State entities, as outlined in Note 1, pay their own fringe benefits costs. The fringe benefits amount for UB employees paid by State Operating funds is calculated by taking the fringe benefits rate which is determined by the State, and applying it to total eligible personal service and temporary service costs incurred. These imputed costs are included in the financial statements.

3. Cash and Cash Equivalents

Cash and cash equivalents represent University at Buffalo funds held in the short-term investment pool (STIP) in the State Treasury or in local depositories by the various entities included in these statements.

The following schedule summarizes cash and cash equivalents by funding source:

2018

State-held funds:

State Operating	\$ 94,492,815
IFR and SUTRA	\$ 125,486,068
DIFR	\$ 22,628,479
The Research Foundation for SUNY	\$ 144,371
Total	\$ 242,751,733

The Research Foundation for SUNY (RF) has two pools of cash, unrestricted (non-sponsored) and restricted (sponsored). Unrestricted cash represents the majority of the balance and consists of facilities and administrative (indirect) cost recovery dollars that were not spent at the end of the fiscal year. Restricted cash is the consolidated balance of payments to the University by sponsors in excess of current expenditures for sponsored research projects.

4. Accounts and Notes Receivable

Accounts and notes receivable totaled \$14,067,379 for the fiscal years ended June 30, 2018. Depending upon the funding source these receivables occurred for a variety of reasons.

State and auxiliary enterprises receivables occur due to student billings for tuition, fees, and room and board payments. Research receivables arise from sponsored awards where the expenditures exceed the cash received whether the difference is billed to the sponsor or not billed yet.

The only notes receivable are student loans awarded from the former State-held endowment fund. These notes have various interest rates and repayment terms.

Certain entities carry an allowance for doubtful accounts on their balance sheet. This amount is calculated in different ways depending on the funding source. Each entity writes off balances during the year as they are deemed uncollectible which, in most cases, is based upon the aging of the receivables.

5. Property, Plant and Equipment

Fixed assets are either stated at historical cost if purchased or at fair market value at date of receipt if acquired by gift. Fixed assets are shown net of accumulated depreciation of \$1,047,707,836 as of June 30, 2018. The majority of the University depreciates its assets using the straight-line method over the assets estimated useful life. In general, the buildings and components are depreciated between 25-50 years, capital equipment, furniture, and fixtures lives range from 4 to 15 years and library acquisitions are depreciated over 10 years.

6. Postemployment and Post-retirement Benefits

The State University provides health insurance coverage for eligible retired State University employees and their survivors through the New York State Health Insurance Program (NYSHIP). The State University, through 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 University to its participants. UB as a participant in the plan, recognizes these other postemployment benefit (OPEB) expenses on an accrual basis.

UB recognized a net OPEB liability of \$1,274,148,061 for the fiscal year ended June 30, 2018. The net OPEB liability for June 30, 2018 was measured as of March 31, 2018, and was determined by an actuarial valuation as of April 1, 2017, with updated procedures used to roll-forward the net OPEB liability to March 31, 2018. The net OPEB liability was calculated using the Entry aged normal cost method. The actuarial valuation included the following actuarial assumptions.

Assumptions	2018
Inflation	2.5%
Mortality improvement	Society of Actuaries' Scale MP-2014
Discount rate	3.89%

7. Component Units Financial Presentation

The reported totals of the discreetly presented Component Units include the campus related Foundation and the auxiliary service entity, Faculty-Student Association (dba Campus Dining and Shops). 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 received the majority of their support and revenues through contributions, gifts and grants and provides benefits to their campus, students, faculty staff and alumni. Campus Dining and Shops 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 was derived from each entity's individual audited financial statements, report in accordance with generally accepted accounting principles promulgated by FASB.

Net Asset Classifications

Unrestricted net position represents 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. Temporarily restricted net assets represent resources whose use is limited by donor-imposed stipulation that either expire by the passage of time or are removed by specific actions. Permanently restricted net assets represent resources that donors have stipulated must be maintained permanently. The income derived from the permanently restricted net assets is permitted to be spent in part or in whole, restricted by the donor's wishes.

Endowment and Other Investments

The Component Unit investments are recorded at fair value and investment income is reported net of investment fees. Realized and unrealized gains and losses are reflected in the Statement of Activities.

The composition of these investments (excluding cash) is as follows:

	June 30, 2018				
		CDS		UBF	
Investment Receivable	\$	-	\$	-	
Fixed income securities	\$	-	\$	133,607,136	
Domestic equity	\$	4,362,719	\$	195,338,881	
International equity	\$	1,667,066	\$	239,793,772	
Alternative investments					
Real assets	\$	-	\$	99,338,407	
Equity Partnerships	\$	-	\$	155,039,221	
Hedge funds	\$	-	\$	185,728,031	
Other	\$	6,014,629	\$	464,426	
	\$	12,044,414	\$1	,009,309,874	

Long-term Liabilities

The Component Units have entered into several debt obligations to finance various capital facilities or large equipment purchases. Total long-term and short-term obligations are summarized:

	2018
Campus Dining & Shops (CDS)	
Unsecured note payable related to a former party in annual principal payments and semi-annual interest payments totaling \$951,091 per year, based on a fixed interest rate of 4.81% through June 30, 2026.	\$ 6,817,740
University at Buffalo Foundation (UBF)	
Village of Kenmore Housing Authority bonds payable in monthly installments of \$47,516 through January 2028, including interest at 4.95%, net of unamortized debt issuance costs of \$139,650 in 2018. (Flickinger Project)	\$ 4,190,306
Town of Amherst Development Corporation bonds payable in annual principal installments that escalate through maturity in October 2035 plus variable rate interest, net of amortized debt issuance costs of \$670,422 in 2018. (South Lake Village/Replacement Bonds)	\$ 19,529,578
Town of Amherst Development Corporation bonds payable in monthly principal installments that escalate through maturity in August 2042 plus variable rate interest, net of unamortized debt issuance costs of \$777,222 in 2018. (Flint Village and Creekside Village Refunding Bonds)	\$ 27,197,778
Town of Amherst Development Corporation bonds payable in annual principal installments that escalate through maturity in October 2045, plus interest ranging from 3.00% to 5.00% adjusted annually, net of amortized debt issuance costs of \$1,626,099 in 2018, and inclusive of unamortized premium of \$5,735,332 in 2018 (Greiner Hall and Hadley Village Refunding Bonds)	\$ 69,414,233
Operating Line of Credit payable on demand and bearing interest at 3.5%, which	
is 1.5% below the bank's prime rate.	\$ 9,608,047
Total debt obligations	\$ 136,757,682
Current portion of long-term debt	\$ 623,156
Long-term debt	\$ 136,134,526

Other Receivables

Other receivables consist of contributions receivable within UBF. These contributions represent unconditional promises to give. An allowance for uncollectible contributions receivable is estimated for \$1,937,895 at June 30, 2018.

As of June 30, 2018, UBF has also received bequest intentions and revocable trusts that management estimates will approximate \$108.5 million. These intentions and conditional promises to give are not recognized as assets in the accompanying consolidated financial statements. Amounts received under these conditional promises to give will generally be restricted for specific purposes stipulated by the donors, primarily endowments for faculty support, scholarships, and general operating support of particular departments and divisions of the University.

8. Fiscal Years

The campus financial statements incorporate a twelve-month period for all entities. These entities operate under different fiscal periods. The following schedule provides the fiscal year end of the entities included in these financial statements:

Funding type	Fiscal year end
State-held funds:	
State Operating	June 30th
IFR and SUTRA	June 30th
DIFR	June 30th
State University Construction Fund	March 31st
University at Buffalo Foundation	June 30th
The Research Foundation for SUNY	June 30 th
Campus Dining & Shops	May 31st

