

FY 2017

Financial Statement

(The Twelfth Fiscal Year)



From April 1, 2017
To March 31, 2018

The Public University Corporation

The University of Aizu

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Fixed Assets			
1 Tangible Fixed Assets			
Land	6,620,300,000		
Accumulated impairment loss	<u>△7,855,658</u>	6,612,444,342	
Buildings	14,915,682,411		
Accumulated depreciation	<u>△7,821,529,072</u>	7,094,153,339	
Structure	1,071,806,337		
Accumulated depreciation	<u>△809,546,992</u>	262,259,345	
Tools, fixtures and durable goods	1,754,438,211		
Accumulated depreciation	<u>△909,294,474</u>	845,143,737	
Library materials		1,500,516,622	
Art works/collections		7,600,003	
Vehicles and delivery equipment	7,558,860		
Accumulated depreciation	<u>△7,558,857</u>	3	
Construction in progress		31,190,000	
Total Tangible Fixed Assets		16,322,117,391	
2 Intangible Assets			
Patent right		13,971,921	
Trademark right		250,687	
Software		34,729,749	
Other intangible assets		1,625,400	
Patent right in progress		17,598,265	
Total Intangible Assets		68,176,022	
3 Investments and Other Assets			
Long-term Prepaid Expenses		4,049,830	
Total Investment and Other Assets		4,049,830	
TOTAL FIXED ASSETS			16,394,343,243
Current Assets			
Cash on hand and in banks		1,656,254,482	
Payments from students receivable	4,802,600		
Reserve for uncollectible tuition	<u>△4,281,800</u>	520,800	
Prepaid expenses		7,629,970	
Other accounts receivable		392,716,907	
Other current assets		262,440	
Total Current Assets			2,057,384,599
TOTAL ASSETS			<u>18,451,727,842</u>
Fixed Liabilities			
Asset offsetting liabilities			
Asset offsetting operational subsidies, etc.	256,312,406		
Asset offsetting grants	1,010,920,135		
Asset offsetting donations	79,154,358		
Amount of items received or donated as offsetting of assets	1,381,089,366		
Patent rights in progress offsetting operational subsidies, etc.	13,455,649		
Patent rights in progress offsetting grants	<u>4,142,616</u>	2,745,074,530	
Long-term lease liabilities		434,577,785	
Total Fixed Liabilities			3,179,652,315
Current Liabilities			
Donation liabilities		26,966,616	
Commissioned research expenses, etc. received		3,076,902	
Advances		3,089,184	
Kakenhi, etc. entrusted		8,608,757	
Deposits received		73,795,471	
Other accounts payable		450,376,171	
Short-term lease liabilities		210,416,077	
Accrued consumption taxes, etc.		134,500	
Total Current Liabilities			776,463,678
TOTAL LIABILITIES			<u>3,956,115,993</u>

Capital Stock			
Investment from local public entity	19,947,593,953		
	<u>19,947,593,953</u>	19,947,593,953	
Total Capital Stock			
Capital Surplus			
Capital surplus	1,355,831,043		
Accumulated depreciation not associated with profit and loss	△8,230,934,836		
Accumulated impairment loss not associated with profit and loss	△7,855,658		
	<u>△6,882,959,451</u>	△6,882,959,451	
Total Capital Surplus			
Earned Surplus			
Reserve funds	1,532,054		
Reserve funds for improvement of education/research and organizational operation	960,013,668		
Unappropriated surplus at the end of the current term	469,431,625		
(Current gross profits)	<u>(469,431,625)</u>		
Total Earned Surplus		1,430,977,347	
TOTAL NET ASSETS		<u>14,495,611,849</u>	
TOTAL LIABILITIES AND NET ASSETS		<u>18,451,727,842</u>	

Income Statement
From April 1, 2017 to March 31, 2018

In Japanese Yen

Ordinary Expenses			
Operating expenses			
Educational expenses		352,170,819	
Research expenses		595,849,483	
Educational and research assistance expenses		864,567,520	
Commissioned research expenses		61,168,353	
Commissioned project expenses		17,618,751	
Personnel expenses for executives		126,583,642	
Personnel expenses for faculty			
Salaries for full-time faculty	1,396,998,473		
Salaries for part-time faculty	111,923,806	1,508,922,279	
Personnel expenses			
Salaries for full-time personnel	566,648,658		
Salaries for part-time personnel	172,620,642	739,269,300	4,266,150,147
General administrative expenses			838,422,383
Financial costs			
Interest expenses		11,862,870	11,862,870
Miscellaneous loss			205,200
	TOTAL ORDINARY EXPENSES		5,116,640,600
Ordinary Income			
Operational subsidies		3,434,871,028	
Tuition fees		744,116,300	
Admission fees		180,796,000	
Examination fees		28,346,800	
Seminar fees		3,980,000	
Income from commissioned research, etc.			
National/local governments	42,190,300		
Organizations other than national/local governments	29,764,276	71,954,576	
Income from commissioned projects, etc.			
National/local governments	21,955,543		
Organizations other than national/local governments	644,399	22,599,942	
Donations			20,116,725
Grants, etc.			434,206,980
Reversal of asset offsetting liabilities			
Reversal of asset offsetting operational subsidies	45,633,689		
Reversal of asset offsetting grants, etc.	142,225,663		
Reversal of asset offsetting donations	6,068,177		
Reversal of asset offsetting operational subsidies for patents in progress	7,500		
Reversal of amount of items received or donated as offsetting of assets	5,408,267	199,343,296	
Financial income			
Interest income	292,296	292,296	
Miscellaneous income			
Income from property lending	60,450,799		
Copyrights and patents	45,468		
Other miscellaneous income	20,839,203	81,335,470	
	TOTAL ORDINARY INCOME		5,221,959,413
Ordinary Profit			105,318,813
Non-recurring Losses			
Fixed assets elimination loss		174,670	
Other non-recurring losses		100,069	274,739
Non-recurring Profits			
Operational subsidies		198,202,361	
Reversal of asset offsetting operational subsidies		174,670	
Other non-recurring profits		5,786,800	204,163,831
Non-recurring Profits			
			309,207,905
Reversal of Reserve Funds for Specific Purposes			
			160,223,720
Gross Profits			
			469,431,625

Cash Flow Statement
From April 1, 2017 to March 31, 2018

In Japanese Yen

I	Cash Flow from Operation Activities	
	Expenses for purchase of materials, goods, or services	△1,212,955,437
	Personnel expenses	△2,381,285,722
	Other operating expenses	△768,132,170
	Income from operational subsidies	3,244,662,000
	Income from tuition fees	698,450,700
	Income from admission fees	169,603,200
	Income from examination fees	28,426,800
	Income from commissioned research, etc.	63,880,692
	Income from commissioned projects, etc.	11,438,346
	Income from grants, etc.	500,067,843
	Income from donations	14,440,000
	Other operating income	84,768,548
	Increase/decrease in deposits	4,817,752
	Subtotal	458,182,552
	Cash Flow from Operation Activities	458,182,552
II	Cash Flow from Investing Activities	
	Expenses for acquisition of tangible fixed assets	△53,666,289
	Expenses for acquisition of intangible fixed assets	△8,428,075
	Subtotal	△62,094,364
	Interest and dividends received	292,296
	Cash Flow from Investing Activities	△61,802,068
III	Cash Flow from Financial Activities	
	Expenses for payment of lease liabilities	△473,479,386
	Subtotal	△473,479,386
	Amount of interest paid	△11,862,870
	Cash Flow from Financial Activities	△485,342,256
IV	Increase in Funds (or Decrease)	△88,961,772
V	Fund Balance at the Beginning of the Fiscal Year	1,245,216,254
VI	Fund Balance at the End of the Fiscal Year	1,156,254,482

Appropriation of Profits (Draft)

In Japanese Yen

I	Unappropriated Surplus at the End of the Term		<u>469,431,625</u>
	Gross Profits	469,431,625	
II	The transfer amount of reserve fund		<u>960,013,668</u>
	Reserve Fund for Improvement of Quality of Education/Research and Organizational Operation	960,013,668	
III	Appropriation of Profits		
	Reserve funds		<u><u>1,429,445,293</u></u>

Cost Statement for Implementation of Administrative Services
From April 1, 2017 to March 31, 2018

In Japanese Yen

I	Operating Expenses		
	(1) Classification of expenses in the Statement of Income		
	Operating expenses	4,266,150,147	
	General administrative expenses	838,422,383	
	Financial costs	11,862,870	
	Miscellaneous loss	205,200	
	Non-recurring losses	274,739	5,116,915,339
	(2) (deduction) Self-generated income, etc.		
	Tuition fees	△744,116,300	
	Admission fees	△180,796,000	
	Examination fees	△28,346,800	
	Seminar fees	△3,980,000	
	Income from commissioned research, etc.	△71,954,576	
	Income from commissioned projects, etc.	△22,599,942	
	Donations	△20,116,725	
	Reversal of asset offsetting dominations	△6,068,177	
	Financial income	△292,296	
	Miscellaneous income	△70,160,620	
	Non-recurring profits	△5,786,800	△1,154,218,236
	Total Operating Expenses		3,962,697,103
II	Depreciation Equivalent not Associated with Profit and Loss		326,859,648
III	Impairment Loss Equivalent not Associated with Profit and Loss		0
IV	Difference in Retirement and Sale not Associated with Profit and Loss		604,800
V	Estimated Increases in Bonuses other than the Reserve for Bonuses		8,268,935
VI	Estimated Amount of Increase in Retirement Benefits other than the Reserve for Retirement Allowances		54,943,516
VI	Opportunity Costs		
	Opportunity costs for lease transactions of properties of the national government or local public entities without compensation or reduced usage charges	2,736	
	Opportunity costs invested by local public entities	5,767,683	5,770,419
VIII	Costs for Implementation of Administrative Services		4,359,144,421

Annotations

I Important Accounting Policies

From this fiscal year, "Accounting Standards of Local Incorporated Administrative Agencies", "Local Incorporated Administrative Agencies Accounting Standards Notes" (Revised by Ministry of Internal Affairs and Communications Notice No. 117, March 31, 2017), "Q & A on 'Accounting Standards of Local Incorporated Administrative Agencies' and 'Local Incorporated Administrative Agencies Accounting Standards Notes'" (Revised by Local Administration Bureau and Local Public Finance Bureau, Ministry of Internal Affairs and Communications, and the Japanese Institute of Certified Public Accountants,

1 Criteria for Realization of Income from Operational Subsidies and Tuition Fees

With the exception of the operational subsidies listed below, time-based income realization criteria is used for appropriation of income

(1) Cost-based income realization criteria

- ① Operational subsidies appropriated for retirement allowances
- ② Operational subsidies appropriated for personnel expenses designated by the Government of Fukushima Prefecture, granter of the subsidies, as specified expenses
- ③ Operational subsidies designated by the Government of Fukushima Prefecture, granter of the subsidies, as facility maintenance expenses

2 Accounting Procedures Regarding Depreciation

(1) Tangible fixed assets

The straight-line method is adopted.

Useful life-spans of assets are based on useful life-spans determined by corporate-tax codes.

For fixed assets inherited from the Government of Fukushima Prefecture, estimated useful life-spans are used. Life spans of specific depreciable assets purchased by income from commissioned research, etc., are the "period of the commissioned research."

However, the straight line depreciation method using lease periods as useful life-spans of assets is applied to leased assets.

Amounts equivalent to depreciation for specific depreciable assets(Local Independent Administrative Corporation Accounting Rules, No. 85)are deducted from the capital surplus as accumulated depreciation not associated with profit and loss.

Useful life-spans of major assets are as follows:

- ① Buildings 2 years to 50 years
- ② Structures 2 years to 50 years
- ③ Tools, fixtures & durable goods 2 year to 15 years

(2) Intangible assets

The straight-line method is adopted.

Software used at the Corporation shall be depreciated based on the Corporation's use period (5 years) in principle.

3 Criteria for Appropriation of Reserves

(1) Criteria for appropriation of reserves and estimates regarding bonuses

As bonuses are financed by operational subsidies, no reserves for bonuses are appropriated.

For the estimated amount of increase in bonuses other than reserve for bonuses entered in the calculation of costs for implementation of administrative services, the amount posted is calculated by deducting the "estimate from the previous year" from the "estimate for the relevant year's reserve."

(2) Criteria for appropriation of reserves and estimates regarding retirement benefits

As retirement allowances are financed by operational subsidies, no reserves for retirement benefits are appropriated.

For the estimated amount of increase in retirement benefits other than reserve for retirement allowances entered in the calculation of costs for implementation of administrative services, the increase for this term in reserves for retirement benefits regarding retirement allowances calculated based on No. 87, Item 4 of the Accounting Rules is appropriated.

(3) Reserves for uncollectable tuition fees

Reserves for uncollectable tuition fees are calculated based upon the possibilities that individual students would or would not make payment on tuition fees.

4 Accounting Procedures Regarding Lease Transactions

(1) For finance lease transactions for a total lease of 3M yen or more, accounting procedures based on the methods used for ordinary sales transactions are applied.

(2) For finance lease transactions for a total lease of 3M yen or less, accounting procedures based on the methods used for ordinary lease transactions are applied.

5 Accounting Procedures Regarding Consumption Taxes, Etc.

Accounting regarding consumption taxes and local consumption taxes is conducted on a pretax basis.

6 Methods for Appropriation of Opportunity Costs for Calculation of Costs Used in the Statement for Implementation of Administrative Services

(1) Method for appropriation of opportunity costs for no-cost or discounted lease transactions regarding properties of the national government or local public entities Usage charges are calculated based on the Aizu-Wakamatsu City Ordinance Regarding Road Occupancy, and other regulations.

(2) Rates used for appropriation of opportunity costs invested by local public entities

The interest rate used was 0.045% based on official notification no. 2 issued by MEXT on April 11,2018 entitled "Interest affecting the calculation for opportunity costs of operational costs in the national university corporation statement."

II Annotations Regarding the "Balance Sheet"

1 Appropriation of impairment of fixed assets (for fixed assets for which impairments were recognized)

In Japanese Yen		
Intended use	Residence for the President	
	Land	Building
Category	Yamaga-machi, Aizu-Wakamatsu, Fukushima	
Location	Yamaga-machi, Aizu-Wakamatsu, Fukushima	
Ledger amount before revision	28,744,342	8,541,235
Ledger amount after revision	28,744,342	8,541,235
How the item became impaired	※ 1	※ 1
Amount on statement of income	—	—
Amount on statement of income	—	—
Retrievable services	—	8,541,235

*1 Future usage plans are unclear. The property is currently vacant.

(Summary of the method of calculation of retrievable services amount)

(1) Land

Land value is calculated based on net appraised value done when the Prefecture transferred ownership of the property to the Corporation (in FY 2006), based on posted land value at the time.

The retrievable services price is higher than the book value, so any loss is not expected.

(2) Buildings

Since the accommodations for the President is maintained so that move-in is possible at any time, the property is properly maintained. This amount is posted as retrievable services.

(3) Telephone Rights

The retrievable services price and the book value of the telephone rights are identical, so any impairment loss is not calculated.

2 Estimated amount for bonuses which should be appropriated from operational subsidies: 146,941,872 yen

3 Estimated amount for retirement benefits which should be appropriated from operational subsidies: 1,012,672,876yen
(This amount excludes estimation of retirement benefits for personnel who are sent from Fukushima Prefecture.)

III Annotation Regarding the "Income Statement"

None

IV Annotations Regarding the "Cash Flow Statement"

1 Breakdown of Term-end Capital Balance

Cash and savings	1,656,254,482 yen
fixed deposit	500,000,000 yen
Final term-end capital balance	1,156,254,482 yen

2 Important Non-fund Transaction

Acquisition of tangible fixed assets from in-kind donations: 6,652,410yen

Acquisition of tangible fixed assets due to finance lease: 646,544,570 yen

V Annotations Regarding "the Statement for Calculation of Costs for Implementation of Administrative Services"

1 The estimated amount of increase in retirement benefits includes expenses for prefectural employees dispatched to the University.
(Δ6,538,934yen)

2 Breakdown of Opportunity Costs

The Opportunity Costs occurred all because of the funds by local public organizations in Fukushima.

VI Disclosure about Fair Value of Financial Instruments

1 Items regarding the conditions of financial instruments

The Public University Corporation regards "saving" as one and only way of fund management.

Some of tools and fixtures are on finance lease contracts.

2 Items Regarding Fair Value of Financial Instruments

Amount on the Balance Sheet, fair value and the differences as of the last day of this fiscal year are as follows;

In Japanese Yen			
	Amount on Balance Sheet(※)	Fair Value(※)	Difference(※)
(1)Cash on hand in banks	1,656,254,482	1,656,254,482	-
(2) Lease liabilities	(644,993,862)	(643,346,510)	1,647,352
(3)Accounts Payable	(450,376,171)	(450,376,171)	-

※ Those accounted as "liabilities" are indicated in ().

(Note) Calculation method of fair value of financial instruments

- (1) Cash on hand and in banks
Determined by its carrying value: Fair value is almost equivalent to its carrying value as this category is settled in a short period of time.
- (2) Lease liabilities
Calculated by the following formula:(Total amount for lease x 1 x interest at the time of conclusion of contract)
- (total amount for lease x 1 x current interest (assumed))= difference written above
- (3) Accounts payable
Determined by its carrying value: Fair value is almost equivalent to its carrying value as this category is settled in a short period of time.

VII Disclosure of Fair Value of Real Estate (Rental Property, etc)

The Public University Corporation owns a dormitory, etc. The amounts related to the real estate and rental property on the Balance Sheet the increase/decrease and fair value in this term are as follows:

Amount on balance sheet			In Japanese Yen
Balance of FY 2016	Increase in FY 2017	Term-end balance	Fair value in FY 2016
903,588,081	△ 39,243,278	864,344,803	864,344,803

Note 1) The amount on the balance sheet = acquisition cost - accumulated depreciation

Note 2) Reasons of the increase/decrease in FY 2017

Decrease due to depreciation; $\triangle 39,243,278$ yen

Note 3) As this is depreciation assets, fair value in FY 2017 is determined by its carrying value appropriately.

Conditions regarding income and expenses on the real estate and rental property as of fiscal year ending in March 2018 are as follows

In Japanese Yen		
Income from rents	Rental expenses	Other (loss on sale)
36,347,275	50,361,449 (30,314,217)	0

(Note) Depreciation equivalent not associated with profit and loss is indicated in ().

VIII Important Activities Regarding Debt Burdens

None

IX Important Events after Creation of the Balance Sheet

None