

FY 2018

Financial Statement

(The 13th Fiscal Year)



From April 1, 2018
To March 31, 2019

The Public University Corporation

The University of Aizu

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Balance Sheet
March 31, 2019

In Japanese Yen

Fixed Assets			
1 Tangible Fixed Assets			
Land	6,620,300,000		
	Accumulated impairment loss	<u>△18,300,000</u>	6,602,000,000
Buildings	15,583,289,648		
	Accumulated depreciation	△8,253,936,453	
	Accumulated impairment loss	<u>△3,153,000</u>	7,326,200,195
Structure	1,086,579,806		
	Accumulated depreciation	<u>△830,025,525</u>	256,554,281
Tools, fixtures and durable goods	2,450,917,823		
	Accumulated depreciation	<u>△1,221,041,119</u>	1,229,876,704
Library materials			1,502,269,094
Art works/collections			7,600,003
Vehicles and delivery equipment	3,359,240		
	Accumulated depreciation	<u>△3,359,238</u>	2
	Total Tangible Fixed Assets		16,924,500,279
2 Intangible Assets			
Patent right			11,309,686
Trademark right			222,047
Software			17,435,972
Other intangible assets			1,360,800
Patent right in progress			19,470,597
	Total Intangible Assets		49,799,102
3 Investments and Other Assets			
Long-term Prepaid Expenses			2,032,470
Long-term Deposit			500,000,000
	Total Investment and Other Assets		502,032,470
	TOTAL FIXED ASSETS		17,476,331,851
Current Assets			
Cash on hand and in banks			1,602,199,089
Payments from students receivable	4,326,800		
	Reserve for uncollectible tuition	<u>△4,066,400</u>	260,400
Prepaid expenses			5,695,860
Accounts receivable			238,419,009
	Total Current Assets		1,846,574,358
	TOTAL ASSETS		<u>19,322,906,209</u>
Fixed Liabilities			
Asset offsetting liabilities			
Asset offsetting operational subsidies, etc.	465,643,890		
Asset offsetting grants	952,536,660		
Asset offsetting donations	80,233,624		
Amount of items received or donated as offsetting of assets	1,377,800,328		
Patent rights in progress offsetting operational subsidies, etc.	15,031,237		
Patent rights in progress offsetting grants	<u>4,142,616</u>	2,895,388,355	
Long-term lease liabilities		663,528,615	
Contract Deposit		<u>12,363,750</u>	
	Total Fixed Liabilities		3,571,280,720
Current Liabilities			
Operational subsidy liabilities		98,642,239	
Donation liabilities		28,637,584	
Commissioned research expenses, etc. received		16,559,006	
Advances		2,138,400	
Kakenhi, etc. entrusted		7,919,438	
Deposits received		72,777,282	
Accounts payable		513,670,271	
Short-term lease liabilities		390,388,359	
Accrued consumption taxes, etc.		<u>2,214,100</u>	
	Total Current Liabilities		1,132,946,679
	TOTAL LIABILITIES		<u>4,704,227,399</u>

Balance Sheet
March 31, 2019

In Japanese Yen

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	1,757,777,085		
Accumulated depreciation not associated with profit and loss	△8,586,643,682		
Accumulated impairment loss not associated with profit and loss	△21,453,000		
	<u>△21,453,000</u>		
Total Capital Surplus		△6,850,319,597	
Earned Surplus			
Carry-over from the term of the 1st mid-term goals	1,223,041,067		
Unappropriated surplus at the end of the current term (Current gross profits)	298,363,387		
	<u>(298,363,387)</u>		
Total Earned Surplus		1,521,404,454	
TOTAL NET ASSETS		<u>14,618,678,810</u>	
TOTAL LIABILITIES AND NET ASSETS		<u>19,322,906,209</u>	

Income Statement
From April 1, 2018 to March 31, 2019

In Japanese Yen

Ordinary Expenses			
Operating expenses			
Educational expenses		354,010,520	
Research expenses		497,114,879	
Educational and research assistance expenses		798,926,098	
Commissioned research expenses		66,717,479	
Commissioned project expenses		17,638,393	
Personnel expenses for executives		95,251,227	
Personnel expenses for faculty			
Salaries for full-time faculty	1,444,852,801		
Salaries for part-time faculty	116,300,149	1,561,152,950	
Personnel expenses			
Salaries for full-time personnel	565,628,274		
Salaries for part-time personnel	176,560,399	742,188,673	4,133,000,219
General administrative expenses			454,266,487
Financial costs			
Interest expenses		22,089,440	22,089,440
Miscellaneous loss			42,689
TOTAL ORDINARY EXPENSES			4,609,398,835
Ordinary Income			
Operational subsidies			3,255,361,812
Tuition fees			743,559,000
Admission fees			189,119,800
Examination fees			29,793,800
Seminar fees			5,390,000
Income from commissioned research, etc.			
National/local governments	59,031,437		
Organizations other than national/local governments	19,048,185	78,079,622	
Income from commissioned projects, etc.			
National/local governments	23,377,012		
Organizations other than national/local governments	1,646,038	25,023,050	
Donations			22,573,431
Grants, etc.			270,745,799
Reversal of asset offsetting liabilities			
Reversal of asset offsetting operational subsidies	52,089,273		
Reversal of asset offsetting grants, etc.	143,126,315		
Reversal of asset offsetting donations	4,604,299		
Reversal of amount of items received or donated as offsetting of assets	3,289,038	203,108,925	
Financial income			
Interest income	307,968	307,968	
Miscellaneous income			
Income from property lending	59,514,442		
Copyrights and patents	55,270		
Other miscellaneous income	24,577,302	84,147,014	
TOTAL ORDINARY INCOME			4,907,210,221
Ordinary Profit			297,811,386
Non-recurring Losses			
Fixed assets elimination loss		10,062,817	10,062,817
Non-recurring Profits			
Reversal of asset offsetting operational subsidies		1,378,376	
Gain on sales of fixed assets		215,999	1,594,375
Non-recurring Profits			289,342,944
Reversal of Reserve Funds for Specific Purposes			9,020,443
Gross Profits			298,363,387

Cash Flow Statement
From April 1, 2018 to March 31, 2019

I	Cash Flow from Operation Activities	
	Expenses for purchase of materials, goods, or services	△1,081,068,827
	Personnel expenses	△2,401,366,214
	Other operating expenses	△410,573,778
	Income from operational subsidies	3,457,426,000
	Income from tuition fees	701,373,000
	Income from admission fees	177,445,000
	Income from examination fees	28,674,200
	Income from commissioned research, etc.	104,880,581
	Income from commissioned projects, etc.	23,258,278
	Income from grants, etc.	466,814,317
	Income from donations	16,365,000
	Other operating income	89,750,921
	Increase/decrease in deposits	11,352,882
	Subtotal	1,184,331,360
	Payment to Fukushima Prefecture	△1,626,276
	Cash Flow from Operation Activities	1,184,331,360
II	Cash Flow from Investing Activities	
	Expenses for acquisition of tangible fixed assets	△308,050,933
	Expenses for fixed deposits, etc.	△8,684,439
	Income from withdrawal of fixed deposits, etc.	215,999
	Expenses for acquisition of intangible fixed assets	△1,622,011
	Expenses for term deposit	△1,000,000,000
	Income from refund of term deposit	1,000,000,000
	Subtotal	△318,141,384
	Interest and dividends received	307,968
	Cash Flow from Investing Activities	△317,833,416
III	Cash Flow from Financial Activities	
	Expenses for payment of lease liabilities	△397,496,976
	Subtotal	△397,496,976
	Amount of interest paid	△21,430,085
	Cash Flow from Financial Activities	△418,927,061
IV	Increase in Funds (or Decrease)	445,944,607
V	Fund Balance at the Beginning of the Fiscal Year	1,156,254,482
VI	Fund Balance at the End of the Fiscal Year	1,602,199,089

Appropriation of Profits (Draft)

I Unappropriated Surplus at the End of the Term		298,363,387
Gross Profits	298,363,387	
II Appropriation of Profits		
Amount to be applied for an authorization from a representative of the founder, according to Item 3 of Article 40 of the Local Independent Administrative Corporation Law		
Reserve Fund for Improvement of Quality of Education/Research and Organizational Operation	<u>298,363,387</u>	<u>298,363,387</u>

Cost Statement for Implementation of Administrative Services
From April 1, 2018 to March 31, 2019

In Japanese Yen

I	Operating Expenses		
	(1) Classification of expenses in the Statement of Income		
	Operating expenses	4,133,000,219	
	General administrative expenses	454,266,487	
	Financial costs	22,089,440	
	Miscellaneous loss	42,689	
	Non-recurring losses	10,062,817	4,619,461,652
	(2) (deduction) Self-generated income, etc.		
	Tuition fees	△743,559,000	
	Admission fees	△189,119,800	
	Examination fees	△29,793,800	
	Seminar fees	△5,390,000	
	Income from commissioned research, etc.	△78,079,622	
	Income from commissioned projects, etc.	△25,023,050	
	Donations	△22,573,431	
	Reversal of asset offsetting dominations	△4,604,299	
	Financial income	△307,968	
	Miscellaneous income	△72,975,339	
	Non-recurring profits	△215,999	△1,171,642,308
	Total Operating Expenses		3,447,819,344
II	Depreciation Equivalent not Associated with Profit and Loss		355,708,846
III	Impairment Loss Equivalent not Associated with Profit and Loss		13,597,342
IV	Difference in Retirement and Sale not Associated with Profit and Loss		264,600
V	Estimated Increases in Bonuses other than the Reserve for Bonuses		4,482,375
VI	Estimated Amount of Increase in Retirement Benefits other than the Reserve for Retirement Allowances		△68,562,036
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	2,736
VIII	Costs for Implementation of Administrative Services		<u>3,753,313,207</u>

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. 125, March 30, 2018), "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

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 incor

(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 speci 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. 87)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 calculator costs for implementation of administrative services, the increase for this term in reserves for retirement benefits regarding retireme allowances calculated based on No. 89, 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

- (1) Method for appropriation of opportunity costs for no-cost or discounted lease transactions regarding properties of the national gov 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
Based on the administrative circular "Handling of Opportunity Cost regarding Administrative Service Implementation Costs of Local Incorporated Administrative Agencies (Points to Consider)" from the Local Administration Bureau of the Ministry of Internal Affairs and Communications and the Local Public Finance Bureau, dated May 29, 2019, opportunity costs are being calculated at 0%.

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	8,153,000
Ledger amount after revision	18,300,000	5,000,000
How the item became impaired	※ 1	※ 1
Amount on statement of income	—	—
Amount on statement of income	10,444,342	3,153,000
Retrievable services	18,300,000	5,000,000

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

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

(1) Land

The land value of the president's residence is calculated based on the net realizable value. The net realizable value shall be the appraised real estate value as of March 1, 2019.

(2) Buildings

The building value of the president's residence is calculated based on the net realizable value. The net realizable value shall be the appraised real estate value as of March 1, 2019.

2 Estimated amount for bonuses which should be appropriated from operational subsidies: 151,424,247 yen

3 Estimated amount for retirement benefits which should be appropriated from operational subsidies: 949,296,980yen
(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	1,602,199,089 yen
Final term-end capital balance	1,602,199,089 yen

2 Important Non-fund Transaction

Acquisition of tangible fixed assets due to finance lease: 801,278,086 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.
(Δ5,186,140yen)

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)Long-term deposit	500,000,000	500,000,000	-
(2)Cash on hand in banks	1,602,199,089	1,602,199,089	-
(3) Lease liabilities	(1,053,916,974)	(1,049,264,064)	4,652,910
(4)Accounts Payable	(513,670,271)	(513,670,271)	-

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

(Note) Calculation method of fair value of financial instruments

(1) Long-term Savings

The current value was set as the same value as book value because the current value of long-term deposits is almost the same as book value since the likely deposit interest rates after making new deposits and the contracted interest rates were the same.

(2) 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.

