

FY 2019

Financial Statement

(The 14th Fiscal Year)



From April 1, 2019
To March 31, 2020

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>△18,300,000</u>	6,602,000,000	
Buildings	15,678,612,170		
Accumulated depreciation	<u>△8,706,334,206</u>		
Accumulated impairment loss	<u>△3,153,000</u>	6,969,124,964	
Structure	1,122,425,259		
Accumulated depreciation	<u>△848,254,641</u>	274,170,618	
Tools, fixtures and durable goods	2,498,428,222		
Accumulated depreciation	<u>△1,664,302,087</u>	834,126,135	
Library materials		1,500,841,942	
Art works/collections		7,600,003	
Vehicles and delivery equipment	3,359,240		
Accumulated depreciation	<u>△3,359,238</u>	2	
Construction in progress		18,515,300	
Total Tangible Fixed Assets		<u>16,206,378,964</u>	
2 Intangible Assets			
Patent right		10,713,151	
Trademark right		193,407	
Software		8,553,488	
Other intangible assets		1,134,000	
Patent right in progress		23,188,278	
Total Intangible Assets		<u>43,782,324</u>	
3 Investments and Other Assets			
Long-term Prepaid Expenses		25,240	
Total Investment and Other Assets		<u>25,240</u>	
TOTAL FIXED ASSETS			16,250,186,528
Current Assets			
Cash on hand and in banks		2,355,942,737	
Payments from students receivable	5,158,400		
Reserve for uncollectible tuition	<u>△5,138,400</u>	20,000	
Prepaid expenses		4,945,840	
Accounts receivable		239,256,039	
Advance payment		1,335,674	
Total Current Assets			<u>2,601,500,290</u>
TOTAL ASSETS			<u>18,851,686,818</u>
Fixed Liabilities			
Asset offsetting liabilities			
Asset offsetting operational subsidies, etc.	470,303,024		
Asset offsetting grants	868,624,337		
Asset offsetting donations	80,625,365		
Amount of items received or donated as offsetting of assets	1,370,924,089		
Construction in progress offsetting operational subsidies	1,487,000		
Patent rights in progress offsetting operational subsidies	18,748,918		
Patent rights in progress offsetting grants	<u>4,142,616</u>	2,814,855,349	
Long-term lease liabilities		286,506,728	
Contract Deposit		12,363,750	
Total Fixed Liabilities			3,113,725,827
Current Liabilities			
Operational subsidy liabilities		133,152,963	
Donation liabilities		37,713,108	
Commissioned research expenses received		2,787,640	
Cooperative research expenses received		4,750,400	
Advances		2,354,000	
Kakenhi, etc. entrusted		8,620,229	
Deposits received		72,930,640	
Accounts payable		570,442,230	
Short-term lease liabilities		386,765,204	
Accrued consumption taxes, etc.		2,936,000	
Total Current Liabilities			<u>1,222,452,414</u>
TOTAL LIABILITIES			4,336,178,241

Balance Sheet
March 31, 2020

In Japanese Yen

Capital Stock			
Investment from local public entity	19,947,593,953		
Total Capital Stock		19,947,593,953	
Capital Surplus			
Capital surplus	1,854,008,764		
Accumulated depreciation not associated with profit and loss	△8,956,304,640		
Accumulated impairment loss not associated with profit and loss	△21,453,000		
Total Capital Surplus		△7,123,748,876	
Earned Surplus			
Carry-over from the term of the 1st mid-term goals	1,068,574,780		
Reserve funds for improvement of education/research and organizational operation	298,363,387		
Unappropriated surplus at the end of the current term	324,725,333		
(Current gross profits)	(324,725,333)		
Total Earned Surplus		1,691,663,500	
TOTAL NET ASSETS			14,515,508,577
TOTAL LIABILITIES AND NET ASSETS			18,851,686,818

Income Statement
From April 1, 2019 to March 31, 2020

In Japanese Yen

Ordinary Expenses			
Operating expenses			
Educational expenses		376,596,206	
Research expenses		457,369,020	
Educational and research assistance expenses		796,868,658	
Commissioned research expenses		63,336,829	
Cooperative research expenses		29,480,420	
Commissioned project expenses		23,385,980	
Personnel expenses for executives		105,118,342	
Personnel expenses for faculty			
Salaries for full-time faculty	1,426,522,795		
Salaries for part-time faculty	<u>124,268,645</u>	1,550,791,440	
Personnel expenses			
Salaries for full-time personnel	597,280,549		
Salaries for part-time personnel	<u>186,951,332</u>	<u>784,231,881</u>	4,187,178,776
General administrative expenses			557,842,814
Financial costs			
Interest expenses		<u>15,884,824</u>	15,884,824
Miscellaneous loss			<u>642,419</u>
TOTAL ORDINARY EXPENSES			4,761,548,833
Ordinary Income			
Operational subsidies		3,320,584,499	
Tuition fees		758,488,200	
Admission fees		174,315,600	
Examination fees		30,307,800	
Seminar fees		5,552,000	
Income from commissioned research		71,013,000	
Income from cooperative research		40,093,103	
Income from commissioned projects		26,460,617	
Donations		23,624,936	
Grants, etc.		292,194,994	
Reversal of asset offsetting liabilities			
Reversal of asset offsetting operational subsidies		57,059,974	
Reversal of asset offsetting grants, etc.		131,114,417	
Reversal of asset offsetting donations		3,923,158	
Reversal of asset offsetting operational subsidies for patents in progress		519,116	
Reversal of amount of items received or donated as offsetting of assets		<u>6,876,230</u>	199,492,895
Financial income			
Interest income		<u>177,584</u>	177,584
Miscellaneous income			
Income from property lending		56,753,296	
Copyrights and patents		441,002	
Other miscellaneous income		<u>35,851,721</u>	<u>93,046,019</u>
TOTAL ORDINARY INCOME			<u>5,035,351,247</u>
Ordinary Profit			<u>273,802,414</u>
Non-recurring Losses			
Fixed assets elimination loss		7,560,606	<u>7,560,606</u>
Non-recurring Profits			
Reversal of asset offsetting operational subsidies		475,699	
Other non-recurring profits		18	<u>475,717</u>
Net Profit for the Fiscal Year			266,717,525
Reversal of Reserve Funds for Specific Purposes			58,007,808
Gross Profits for the Fiscal Year			<u><u>324,725,333</u></u>

Cash Flow Statement
From April 1, 2019 to March 31, 2020

I	Cash Flow from Operation Activities	
	Expenses for purchase of materials, goods, or services	△1,065,023,349
	Personnel expenses	△2,445,821,336
	Other operating expenses	△553,288,038
	Income from operational subsidies	3,422,797,000
	Income from tuition fees	712,515,600
	Income from admission fees	165,153,200
	Income from examination fees	30,178,400
	Income from commissioned research	57,581,479
	Income from cooperative research	37,088,503
	Income from commissioned projects	26,211,734
	Income from grants, etc.	346,737,465
	Income from donations	28,183,794
	Other operating income	89,516,345
	Increase/decrease in deposits	△760,030
	Cash Flow from Operation Activities	851,070,767
II	Cash Flow from Investing Activities	
	Expenses for acquisition of tangible fixed assets	△176,625,751
	Expenses for fixed deposits, etc.	△6,513,019
	Expenses for acquisition of intangible fixed assets	△7,222,243
	Subtotal	△190,361,013
	Interest and dividends received	177,584
	Cash Flow from Investing Activities	△190,183,429
III	Cash Flow from Financial Activities	
	Expenses for payment of lease liabilities	△390,737,138
	Subtotal	△390,737,138
	Amount of interest paid	△16,406,552
	Cash Flow from Financial Activities	△407,143,690
IV	Increase in Funds (or Decrease)	253,743,648
V	Fund Balance at the Beginning of the Fiscal Year	1,602,199,089
VI	Fund Balance at the End of the Fiscal Year	1,855,942,737

Appropriation of Profits (Draft)

I Unappropriated Surplus at the End of the Term		324, 725, 333
Gross Profits	324, 725, 333	
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>324, 725, 333</u>	<u>324, 725, 333</u>

Cost Statement for Implementation of Administrative Services
From April 1, 2019 to March 31, 2020

In Japanese Yen

I	Operating Expenses		
	(1) Classification of expenses in the Statement of Income		
	Operating expenses	4,187,178,776	
	General administrative expenses	557,842,814	
	Financial costs	15,884,824	
	Miscellaneous loss	642,419	
	Non-recurring losses	7,560,606	4,769,109,439
	(2) (deduction) Self-generated income, etc.		
	Tuition fees	△758,488,200	
	Admission fees	△174,315,600	
	Examination fees	△30,307,800	
	Seminar fees	△5,552,000	
	Income from commissioned research	△71,013,000	
	Income from cooperative research	△40,093,103	
	Income from commissioned projects, etc.	△26,460,617	
	Donations	△23,624,936	
	Reversal of asset offsetting dominations	△3,923,158	
	Financial income	△177,584	
	Miscellaneous income	△83,136,150	
	Non-recurring profits	△3	△1,217,092,151
	Total Operating Expenses		3,552,017,288
II	Depreciation Equivalent not Associated with Profit and Loss		369,660,958
III	Difference in Retirement and Sale not Associated with Profit and Loss		226,800
IV	Estimated Increases in Bonuses other than the Reserve for Bonuses		3,677,128
V	Estimated Amount of Increase in Retirement Benefits other than the Reserve for Retirement Allowances		△44,227,300
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	610,568	613,304
VII	Costs for Implementation of Administrative Services		3,881,968,178

Annotations

I Important Accounting Policies

"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 Accountants, May, 2018) have been applied.

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. 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 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. 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 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 It is calculated at 0.005% based on the 10-year JGB yield as of March 31, 2020.

7 Change of display

Effective from the current fiscal year, the following classifications are made and presented as follows due to revised of "Accounting Standards of Local Incorporated Administrative Agencies", "Local Incorporated Administrative Agencies Accounting Standards Notes"

(1) Balance Sheet

"Commissioned research expenses, etc. received" is changed by "Commissioned research expenses received" and "Cooperative research expenses received".

(2) Income Statement

"Commissioned research expenses" is changed to "Commissioned research expenses" and "Cooperative research expenses".

"Income from commissioned research, etc." is changed by "Income from commissioned research" and "Income from cooperative research".

(3) Cash Flow Statement

"Income from commissioned research, etc." is changed to "Income from commissioned research" and "Income from cooperative research".

(4) Cost Statement for Implementation of Administrative Services

"Income from commissioned research, etc." is changed to "Income from commissioned research" and "Income from cooperative research".

II Annotations Regarding the "Balance Sheet"

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

Intended use	In Japanese Yen	
	Residence for the President	
Category	Land	Building
Location	Yamaga-machi, Aizu-Wakamatsu, Fukushima	
Ledger amount before revision	18,300,000	4,615,385
Ledger amount after revision	—	—
How the item became impaired	※ 1	※ 1
Amount on statement of income	—	—
Amount on statement of income	—	—
Retrievable services	18,300,000	5,000,000

*1 It has been decided not to use the president's residence and it is scheduled to be sold.

(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.

(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.

2 Estimated amount for bonuses which should be appropriated from operational subsidies: 148,388,091 yen

3 Estimated amount for retirement benefits which should be appropriated from operational subsidies: 959,484,300yen
(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	2,355,942,737 yen
fixed deposit	500,000,000 yen
Final term-end capital balance	<u>1,855,942,737 yen</u>

2 Important Non-fund Transaction

Acquisition of tangible fixed assets due to finance lease: 10,849,850 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.
(Δ1,237,019yen)

2 Breakdown of Opportunity Costs

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

VI Items 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	2,355,942,737	2,355,942,737	-
(2) Lease liabilities	(673,271,932)	(662,647,385)	10,624,547
(3)Accounts Payable	(570,442,230)	(570,442,230)	-

※ 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 2018	Increase in FY 2019	Term-end balance	Fair value in FY 2019
825,139,733	△ 28,347,606	796,792,127	796,792,127

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

Note 2) Reasons of the increase/decrease in FY 2019

Decrease due to depreciation;	△ 38,839,574 yen
Increase due to renewal of water supply and hot water piping at the Matsunaga Building	10,491,968 yen

Note 3) As this is depreciation assets, fair value in FY 2019 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 2020 are as follows;

In Japanese Yen		
Income from rents	Rental expenses	Other (loss on sale)
33,131,994	57,162,999 (30,092,810)	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