

FY 2010
(The Fifth Year)

Financial Statement



FROM: April 1, 2010

TO: March 31, 2011

The Public University Corporation,

The University of Aizu

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Balance Sheet
(March 31, 2011)

Unit: Yen

Assets

I Fixed Assets

1 Tangible assets

Land	6,620,300,000	
Accumulated impairment loss	<u>△3,027,063</u>	6,617,272,937
Buildings	13,262,074,402	
Accumulated depreciation	<u>△5,344,646,565</u>	7,917,427,837
Structures	1,028,709,138	
Accumulated depreciation	<u>△669,314,039</u>	359,395,099
Tools, fixtures, and durable goods	1,900,180,906	
Accumulated depreciation	<u>△1,308,418,051</u>	591,762,855
Library materials		1,504,204,176
Works of art and collections		<u>5,600,003</u>
Vehicle and delivery equipment	7,558,860	
Accumulated depreciation	<u>△3,884,408</u>	3,674,452
Construction in progress		<u>5,937,949</u>
Total tangible assets		<u>17,005,275,308</u>

2 Intangible assets

Patent Rights		5,287,170
Design rights		1,542,713
Other intangible assets		2,230,200
Patent Rights in progress		<u>14,927,076</u>
Total intangible assets		<u>23,987,159</u>

3 Investments and other assets

Long-term prepaid expenses		<u>47,110</u>
Total investments and other assets		<u>47,110</u>

Total Fixed Assets 17,029,309,577

II Current Assets

Cash on hand and in banks		1,171,462,281
Payments from students receivable	4,808,400	
Reserves for uncollectable tuition fees	<u>△781,200</u>	4,027,200
Prepaid expenses		3,405,217
Uncollected income		1,586,711
Other current assets		<u>208,047,577</u>

Total Current Assets 1,388,528,986

TOTAL ASSETS 18,417,838,563

Liabilities

I Fixed Liabilities

Asset offsetting liabilities		
Asset offsetting operational subsidies, etc.	303,756,022	
Asset offsetting subsidies, etc.	343,220,284	
Asset offsetting donations	51,719,563	
Amount of items received or donated as offsetting of assets	1,436,497,258	
Patent rights in progress offsetting operational subsidies, etc.	14,927,076	
Construction in progress offsetting operational subsidies, etc.	<u>377,949</u>	2,150,498,152
Long-term accounts payable		235,492,703
Other fixed liabilities		<u>5,085,290</u>
Total Fixed Liabilities		<u>2,391,076,145</u>

II Current Liabilities

Operational subsidy liabilities		78,951,223
Donation liabilities		32,856,976
Commissioned research expenses, etc. received in advance		7,437,731
Advances		1,482,000
KAKENHI, etc. entrusted		1,463,740
Deposits received		61,842,777
Accounts payable		415,615,221
Short-term lease liabilities		339,622,316
Accrued consumption taxes, etc.		<u>963,200</u>

Total Current Liabilities 940,235,184

TOTAL LIABILITIES 3,331,311,329

NET ASSETS

I Capital Stock

Investments from local public entities	19,304,393,953	
Total Capital Stock		<u>19,304,393,953</u>

II Capital Surplus

Capital surplus	1,068,702,070	
Accumulated depreciation not associated with profit and loss	△6,040,654,817	
Accumulated impairment loss not associated with profit and loss	<u>△3,027,063</u>	
Total Capital Surplus		<u>△4,974,979,810</u>

III Earned Surplus

Reserve funds for improvement of education and research, and for improvement of organization and administration	468,379,063	
Reserve funds	2,055,200	
Unappropriated surplus at the end of the current term	286,678,828	
(Current gross profit)	<u>286,678,828</u>	
Total Earned Surplus		<u>757,113,091</u>

TOTAL CAPITAL 15,086,527,234
TOTAL LIABILITIES AND NET ASSETS 18,417,838,563

Statement of Income
(From April 1, 2010 to March 31, 2011)

Unit: Yen

Ordinary Expenses			
Operating expenses			
Educational expenses	336,477,080		
Research expenses	277,673,869		
Educational and research assistance expenses	867,594,063		
Commissioned research expenses	45,956,952		
Commissioned project expenses	79,176,374		
Personnel expenses for executives	90,064,244		
Personnel expenses for faculty			
Salaries for full-time faculty	1,480,721,582		
Salaries for part-time faculty	<u>123,287,930</u>	1,604,009,512	
Personnel expenses			
Salaries for full-time personnel	540,662,468		
Salaries for part-time personnel	<u>110,093,683</u>	<u>650,756,151</u>	3,951,708,245
General administrative expenses			491,404,954
Financial costs			
Interest expenses		<u>36,873,064</u>	36,873,064
Miscellaneous loss			<u>2,647,170</u>
Total Ordinary Expenses			<u><u>4,482,633,433</u></u>
Ordinary Income			
Operational subsidies		3,234,547,189	
Tuition fees		777,398,500	
Admission fees		176,865,800	
Examination fees		24,831,600	
Seminar fees		102,000	
Income from commissioned research, etc.			
Organizations other than Government or local governments		<u>48,513,116</u>	48,513,116
Income from commissioned projects, etc.			
Organizations of Government and local governments		51,394,647	
Organizations other than Government or local governments		<u>33,165,295</u>	84,559,942
Donations			17,275,426
Reversal of asset offsetting liabilities			
Reversal of asset offsetting operational subsidies, etc.	25,388,599		
Reversal of asset offsetting subsidies, etc.	13,545,707		
Reversal of asset offsetting donations	3,012,973		
Reversal of asset offsetting operational subsidies for patents in progress	5,838,569		
Reversal of amount of items received or donated as offsetting of assets		<u>14,951,130</u>	62,736,978
Subsidies, etc.			262,743,647
Financial income			
Interest income		<u>2,534,947</u>	2,534,947
Miscellaneous income			
Income from property lending	32,943,596		
Income from copyrights and patents, etc.	390,600		
Other miscellaneous income	<u>22,558,493</u>	<u>55,892,689</u>	
Total Ordinary Income			<u><u>4,748,001,834</u></u>
Ordinary Profit			
Temporary Losses			
Fixed assets elimination loss		<u>273,006</u>	273,006
Nonrecurring Profits			
Profit on sale of fixed assets		<u>958,872</u>	958,872
Current Net Profit			
			<u>266,054,267</u>
Reversal of Funds for Specific Purposes			
			20,624,561
Current Gross Profit			
			<u><u>286,678,828</u></u>

Statement of Cash Flow
(From April 1, 2010 to March 31, 2011)

Unit: Yen

I	Cash Flow from Operation Activities	
	Expenses for purchase of materials, goods, or services	△1,066,199,337
	Personnel expenses	△2,180,374,532
	Other operating expenses	△482,822,490
	Income from operational subsidies	3,234,132,000
	Income from tuition fees	756,149,700
	Income from admission fees	173,030,600
	Income from examination fees	24,831,600
	Income from commissioned research, etc.	47,826,549
	Income from commissioned projects, etc.	89,721,619
	Income from subsidies, etc.	427,221,550
	Income from donations	22,766,387
	Other operating income	53,721,814
	Increase/decrease in deposits	11,894,128
	Subtotal	1,111,899,588
	Cash Flow from Operation Activities	1,111,899,588
II	Cash Flow from Investing Activities	
	Expenses for acquisition of tangible assets	△474,520,928
	Expenses for acquisition of intangible assets	△3,967,929
	Expenses for fixed deposits, etc.	△600,000,000
	Income from repayment of fixed deposits, etc.	600,000,000
	Subtotal	△478,488,857
	Interest and dividends received	2,752,756
	Cash Flow from Investing Activities	△475,736,101
III	Cash Flow from Financial Activities	
	Expenses for payment of lease liabilities	△474,094,743
	Subtotal	△474,094,743
	Amount of interest paid	△36,873,064
	Cash Flow from Financial Activities	△510,967,807
IV	Increase in Funds	125,195,680
V	Fund Balance at the Beginning of the Fiscal Year	446,266,601
VI	Fund Balance at the End of the Fiscal Year	571,462,281

Appropriation of Profits

Unit: Yen

I Unappropriated Surplus at the End of the Current Term		286,678,828
Current Gross Profit	286,678,828	
II Appropriation of Profits		
Reserve Funds	700	
Amount requiring approval from the head of the founding organization, in accordance with the provisions of Article 40, Paragraph 3 of the Local Independent Administrative Corporation Law		
Reserve funds for improvement of education and research, and for improvement of organizations and administration		
	<u>286,678,128</u>	<u>286,678,828</u>

Calculation of Costs for Implementation of Administrative Services
(From April 1, 2010 to March 31, 2011)

Unit: Yen

I Operating Expenses		
(1) Classification of expenses in the Statement of Income		
Operational expenses	3,951,708,245	
General administrative expenses	491,404,954	
Financial costs	36,873,064	
Miscellaneous loss	2,647,170	
Nonrecurring losses	<u>273,006</u>	<u>4,482,906,439</u>
(2) Incomes, etc. earned independently by the Public Corporation (Deduction)		
Tuition fees	△777,398,500	
Admission fees	△176,865,800	
Examination fees	△24,831,600	
Seminar fees	△102,000	
Income from commissioned research, etc	△48,513,116	
Income from commissioned projects, etc	△84,559,942	
Donations	△17,275,426	
Reversal of asset offsetting dominations	△3,012,973	
Financial income	△2,534,947	
Miscellaneous income	<u>△50,672,689</u>	<u>△1,185,766,993</u>
Total Operating Expenses		3,297,139,446
II Depreciation, Etc. Equivalent not Associated with Profit and Loss		
Depreciation equivalent not associated with profit and loss	314,930,567	
Fixed Assets retirement equivalent not associated with profit and loss	<u>8,632,320</u>	323,562,887
III Impairment Loss Equivalent not Associated with Profit and Loss		
		1,022,526
IV Estimated Increases in Bonuses other than the Reserve for Bonuses		
		6,353,759
V Estimated Amount of Increase in Retirement Benefits other than the Reserve for Retirement Allowances		
		△90,872,427
VI Opportunity Costs		
Opportunity costs for lease transactions of properties of the national government or local public entities without compensation or reduced usage charges	13,200	
Opportunity costs invested by local public entities	<u>180,440,654</u>	180,453,854
VII Payments by the Founding Organization (Deduction)		
		<u>0</u>
VIII Costs for Implementation of Administrative Services		
		<u><u>3,717,660,045</u></u>

Annotations

I Important Accounting Policies

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 (期間進行基準) is used for appropriation of income.

(1) Cost-based income realization criteria (費用進行基準)

- 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 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. Specific depreciable assets purchased by income from commissioned research, etc., are based on useful life-span.

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 | 4 years to 47 years |
| ② Structures | 1 year to 48 years |
| ③ Tools, fixtures, and durable goods | 1 year to 6 years |

(2) Intangible assets

As the intangible assets possessed by the Corporation are only telephone subscription rights and patent rights suspense accounts, they have not been subject to depreciation.

3 Criteria for Appropriation of Reserves

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

As bonus allowances are financed by operational subsidies, no reserves for retirement benefits 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 from the estimate for the relevant year's reserve, the estimate from the estimate from the previous year.

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

4 Accounting Procedures Regarding Lease Transactions

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

5 Accounting Procedures Regarding Consumption Taxes, Etc.

Accounting regarding consumption taxes, 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 rate of 1.255 % is used for calculation, based on the yield of government bonds as of March 31, 2011.

II Additional Information

1 Application of Revised "Accounting Standards for Local Independent Administrative Corporations"
Starting from this fiscal year, the "Accounting Standards for Local Independent Administrative Corporations" and the "Guideline for Accounting Standards for Local Independent Administrative Corporations" have been applied.

(Revision #124, announced by the Ministry of Internal Affairs and Communications as of March 31, 2011)

2 Measures to be taken for the damage caused by the East Japan Massive Earthquake

The 3.11 East Japan Massive Earthquake caused the damage to some of the University facilities. After careful investigation, the University has requested the budget of 80,332,000 yen, as expenses for recovery from the damage caused by the Earthquake.

In addition, a total of 28,220,599 yen from the operational subsidies, which is based upon "time-based income realization criteria, will be carried over for use in FY 2011 to proceed the projects suspended by the effects from the Earthquake.

III Annotations Regarding the "Balance Sheet"

1 Appropriation of impairment of fixed assets

(for fixed assets for which impairments were recognized)

Unit: yen

Intended purpose	Accommodations for the President	
	Land	Buildings
Category		
Location	Fukushima, Aizu-Wakamatsu, Yamaga-Machi	
Previously Posted Ledger Amount	34,595,463	11,258,880
Ledger Amount after Revision	33,572,937	11,258,880
How the item became recognized as impaired	※	※
Amount posted to the statement of income	-	-
Amount not posted to the statement of income	1,022,526	-
Retrievable services	-	11,258,880

※ Future plans are unclear due to non-use of the facility

(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

(2) Buildings

Since the accommodations for the President is maintained so that move-in is possible at any time,

2 Estimated amount for bonuses which should be appropriated from operational subsidies: 202,319,186 yen

3 Estimated amount for retirement benefits which should be appropriated from operational subsidies: 779,458,111 yen
(This amount excludes estimation of retirement benefits for personnel who are sent from Fukushima Prefecture)

IV Annotations Regarding the "Cash Flow Statement"

1 Breakdown of Term-end Capital Balance Comparison Tables Items

Cash and savings	1,171,462,281	Yen
<u>A fixed deposit</u>	<u>△ 600,000,000</u>	Yen
Final term-end capital balance	571,462,281	Yen

2 Important Non-capital Transactions

(1) Increase of assets due to transfer of assets at no cost
Library materials 2,992,750 Yen

(2) Acquisition of assets by financing and leasing
77,717,510 Yen

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

The estimated amount of increase in retirement benefits includes expenses for loaned (dispatched), and prefectural employees. (95,805,369 yen)

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 are as follows;

	Amount on balance sheet(※)	Fair value (※)	Difference
(1) Cash on hand and in banks	1,171,462,281	1,171,462,281	-
(2) Lease liabilities	(575,115,019)	(575,624,380)	(509,361)
(3) Accounts payable	(415,615,221)	(415,615,221)	-

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

(Note) How to calculate 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) Account 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.

(Additional Information)

Starting from this fiscal year, based on the Accounting Standards for Local Independent Administrative Corporations and annotation # 53 in its Guideline, the description about fair value of financial instruments have been added.

(Revision #124, announced by the Ministry of Internal Affairs and Communications as of March 31, 2011)

VII Disclosure about Fair Value of Investment and Rental Property

The Public University Corporation owns a dormitory, etc. The amount related to the real estate and rental property on the Balance Sheet, the increase and the balance in this fiscal year are as follows:

Amount on balance sheet			Fair value in FY 2010 (as of fiscal year ending)
Balance of FY 2009	Increase in FY 2010	Balance of FY 2010	
0	440,612,102	440,612,102	440,612,102

(Note)

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

(2) Detail of the increase in FY 2010

Increase by acquisition of the Housing facility to support learning for students; 440,612,102 yen

(3) As this is depreciation assets, fair value in FY 2010 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 2010 are as follows;

Income from rents	Rental expenses	Other (loss on sale)
0	1,662,867 (984,370)	0

(Note)

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

(2) No rents from Somei House residents have been collected as students start to reside from FY 2011.

(Additional Information)

Starting from this fiscal year, based on the Accounting Standards for Local Independent Administrative Corporations and annotation 54 in its Guideline, the description about fair value of investment and rental (Revision #124, announced by the Ministry of Internal Affairs and Communications as of March 31, 2011)

VIII Important Activities Regarding Debt Burdens

None

IX Important Events after Creation of the Balance Sheet

None