

Plant:

Property, plant and equipment is stated principally at cost at date of acquisition or fair value at date of donation in the case of gifts. Consistent with generally accepted accounting principles for colleges and universities, depreciation is not provided for the cost of plant assets, except for those of the hospital. Depreciation of the cost of the hospital's plant for 1979, in the amount of \$2,315,000, which is charged to expenses by the hospital, is computed on the straight-line method over the estimated useful lives of the assets. Expenditures for plant facilities were \$27,848,587 in the year 1979.

3. Budgeting and Budgetary Control

Summarization of the budgets adopted by the General Assembly for the "budgetary" general, special, annuity bond and federal funds are presented in the combined statement of revenues, expenditures and encumbrances, other sources and uses of financial resources and changes in fund balance—budget and actual—budgetary general, special, annuity bond and federal funds. For purposes of budgeting, the State's budgetary fund structure and accounting principles differ from those utilized to present financial statements in conformity with generally accepted accounting principles. A summarization of the material differences (amounts expressed in thousands) for the year ended June 30, 1979 follows:

Excess of revenues over expenditures, encumbrances and other sources and uses of financial resources—budgetary, general, special, annuity bond and federal funds	\$ 45,642
Deficiency of budgetary revenues over expenditures, encumbrances and other sources and uses of financial resources classified in proprietary funds in the financial statements . . .	6,873
Adjustment to retirement costs	(150,836)
Deferral of income tax revenues	(30,171)
Net adjustment to other revenues and expenditures	<u>14,734</u>
Excess of expenditures over revenues and other uses (sources) of financial sources—general, special revenue and debt service funds	<u>\$113,758</u>

Appropriations for current expenditures in the budgetary general fund constitute expenditure authorizations for the current year. Unexpended appropriations may be carried over to succeeding years to the extent encumbrances are approved by the Department of Budget and Fiscal Planning. Appropriations in the budgetary special and federal funds constitute expenditure authorizations to the extent anticipated resources are available to fund the expenditures. Unexpended appropriations may be carried over to the extent of (i) available resources, and (ii) approval of encumbrances by the Department of Budget and Fiscal Planning.