

Water quality project loans consist of loans to various local governments and other governmental entities in the State for wastewater projects under the United States Environmental Protection Agency's (EPA) Capitalization Grants for State Revolving Funds federal assistance program.

The permanent mortgage loans consist of financing for single and multi-family projects, rental projects, small businesses, industrial sites and various other purposes.

Student and health profession loans are made pursuant to student loan programs funded through the U. S. Government.

B. Investment in Direct Financing Leases:

As of June 30, 1998, the Maryland Environmental Service (Service) has direct financing leases with the State of Maryland. The present value of the direct financing leases as of June 30, 1998, is \$8,836,000. As of June 30, 1998, the Service held \$4,498,000 to be spent to complete assets under these direct financing leases. Lease payments receivable (including unearned interest) for each of the five succeeding fiscal years and thereafter, including repayment of amounts to be spent, consist of the following (expressed in thousands).

1999.....	\$ 1,575
2000.....	1,586
2001.....	1,607
2002.....	1,475
2003.....	1,306
2004 and thereafter.....	12,038
Total.....	19,587
Less: Unearned income	6,253
	13,334
Restricted investments related to unexpended bond proceeds.....	4,498
Net investments in direct financing leases.....	\$ 8,836

As of June 30, 1998, the Maryland Stadium Authority (Authority) has direct financing leases with the State of Maryland. The present value of the direct financing leases as of June 30, 1998, is \$304,059,000. As of June 30, 1998, the Authority held \$1,401,000, to be spent to complete assets under these direct financing leases. Lease payments receivable (including unearned interest) for each of the five succeeding fiscal years and thereafter, including repayment of amounts to be spent, consist of the following (expressed in thousands).

1999.....	\$ 20,059
2000.....	27,131
2001.....	27,131
2002.....	27,131
2003.....	27,134
2004 and thereafter.....	465,307
Total.....	593,893
Less: Unearned income	288,433
	305,460
Restricted investments related to unexpended bond proceeds.....	1,401
Net investments in direct financing leases.....	\$304,059

8. Property, Plant And Equipment:

A. Enterprise Funds:

Property, plant and equipment of the Enterprise funds, as of June 30, 1998, consists of the following (amounts expressed in thousands).

Structure and improvements.....	\$ 880
Equipment	26,691
	27,571
Less: Accumulated depreciation.....	20,473
Total.....	\$ 7,098