

The permanent mortgage loans consist of financing for single and multi-family projects, rental projects, small businesses, industrial sites and various other purposes. Substantially all the mortgage loans are insured or guaranteed, and accordingly, no allowance for loan losses was necessary at June 30, 1991.

Savings and loan association loans are purchased from or made to member associations of the Maryland Deposit Insurance Fund Corporation.

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

**8. Property, Plant and Equipment:**

Property, plant and equipment, as of June 30, 1991, consisted of the following (amounts expressed in thousands):

*Enterprise Funds:*

	Depreciable Assets	Non-depreciable Assets
Land and improvements (includes land being held for sale of \$1,605) .....		\$ 4,608
Structure and improvements .....	\$38,239	1,892,043
Equipment .....	42,460	324
	80,699	1,896,975
Less accumulated depreciation .....	24,676	
<b>Total .....</b>	<b>\$56,023</b>	<b>\$1,896,975</b>

*General Fixed Assets:*

General fixed assets activity by asset classification for the year ended June 30, 1991, was as follows (amounts expressed in thousands):

Classification	Balance July 1, 1990	Additions	Deletions	Transfers in (out)	Balance June 30, 1991
Land and improvements .....	\$ 674,611	\$ 20,773	\$ 5,709	\$ 19,920	\$ 709,595
Structure and improvements .....	2,336,908	46,367	4,507	59,944	2,438,712
Equipment .....	922,751	69,743	36,041	31,266	987,719
Construction in progress .....	392,089	337,918		(111,130)	618,877
<b>Total .....</b>	<b>\$4,326,359</b>	<b>\$474,801</b>	<b>\$46,257</b>	<b>\$ -0-</b>	<b>\$4,754,903</b>

*Higher Education Fund:*

Property, plant and equipment, as of June 30, 1991, consisted of the following (amounts expressed in thousands):

Land .....	\$ 62,429
Structure and improvements .....	1,227,936
Equipment .....	600,472
Construction in progress .....	170,780
<b>Total .....</b>	<b>\$2,061,617</b>

**9. General Obligation Bonds:**

General obligation bonds are authorized and issued primarily to provide funds for state owned capital improvements, including facilities for institutions of higher education, and the construction of public schools in political subdivisions. Bonds have also been issued for local government improvements, including grants and loans for water quality improvement projects and correctional facilities, and to provide funds for repayable loans or outright grants to private, not-for-profit cultural or educational institutions. Under constitutional requirements and practice, the Maryland General Assembly, by a separate enabling act, authorizes a loan for a particular object or purpose. Thereafter, the Board of Public Works, a constitutional body composed of the Governor, the Comptroller of the Treasury and the State Treasurer, by resolution, authorizes the issuance of bonds in a specified amount for part or all of the loan authorized by a particular enabling act.