

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2000**

**NOTE 3. RECEIVABLES (CONTINUED):****INTERGOVERNMENTAL LOANS – COUNTY GOVERNMENTS**

The Bank has entered into intergovernmental agreements with various local governments for all or partial funding with loans for certain permanent highway and road improvement projects. The loan balances as of June 30, 2000 are as follows:

<u>Local Government/Terms</u>	<u>Balances</u>
Horry County – Conway By-Pass	\$ 141,493,060
Horry County – Ride Project (Table I and III projects)	12,147,878
York County – Metropolitan Road Corridors Non-interest bearing loan in the original amount of \$6,600,000; payable in three annual installments of \$2,200,000 each on July 1, 1999, 2000 and 2001	<u>4,400,000</u>
Total	<u>\$ 158,040,938</u>

See Note 9 for details of the above loans.

Due to the long term nature of the loans receivable at June 30, 2000, \$134,590,938 has been offset as a reservation of fund balance to reflect that portion of the receivables that is not currently available to pay current expenditures.

**INTERGOVERNMENTAL RECEIVABLE – COUNTY GOVERNMENT**

The Intergovernmental Agreement entered into March 10, 1998 with Horry County and the South Carolina Department of Transportation and referred to on the prior page provides that Transportation shall be paid a project management fee of \$3,000,000 in thirty-six (36) equal monthly installments commencing with the execution of the loan agreement. During the current fiscal year, the Bank paid Transportation \$1,500,000 on behalf of Horry County which was included in current year project expenditures (\$1,000,000 for fiscal year 2000 and \$500,000 to liquidate the June 30, 1999 payable). \$2,250,000 has been paid through June 30, 2000.

**NOTE 4. FIXED ASSETS:**

The following is a summary of changes in the General Fixed Assets Account Group during the fiscal year:

	<u>Furniture and Equipment</u>
Balance, June 30, 1999	\$ 4,344
Additions	<u>0</u>
Balance, June 30, 2000	<u>\$ 4,344</u>