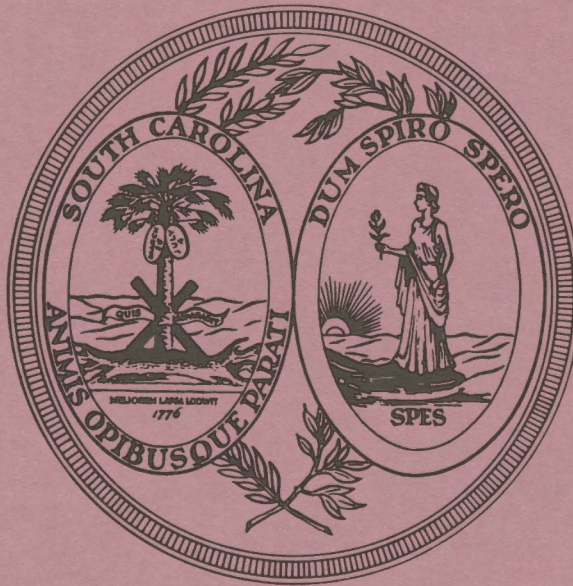


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**SOUTH CAROLINA  
OLD EXCHANGE BUILDING  
COMMISSION**



**ANNUAL REPORT  
1989-1990**

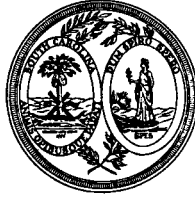
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# The State of South Carolina



## The Old Exchange Building Commission

September 1, 1990

The Honorable Carroll A. Campbell, Jr., Governor  
The Honorable Members of the South Carolina  
General Assembly

Your Excellency, Ladies and Gentlemen:

On behalf of the Old Exchange Building Commission, it is my pleasure to present to you the annual report of the Old Exchange Building Commission for the fiscal year 1989-1990.

Without your support and assistance, the Commission would not have had a successful year.

Please do not hesitate to call on us if we can be of service.

Respectfully submitted,

Old Exchange Building Commission

Louise T. Burgdorf  
Chairman

# The State of South Carolina



## The Old Exchange Building Commission

September 1, 1990

Mrs. Louise T. Burgdorf  
Chairman, Old Exchange Building Commission  
The Old Exchange Building  
122 East Bay Street  
Charleston, SC 29401

Dear Mrs. Burgdorf:

Attached is the annual report of the Old Exchange Building for fiscal year 1989-1990.

This report contains a review of the historic significance of the Exchange and a brief description of programs. More detailed information is available and can be supplied upon your request.

We look forward to working with you and the Commission during the next year.

Respectfully submitted,

Catherine M. Russell, Director  
Old Exchange Building

*"...one of the most elegant structures in America"*  
122 East Bay at Broad, Charleston, S.C. 29401 (803) 792-5020

**OLD EXCHANGE BUILDING COMMISSION**

Mrs. Louise T. Burgdorf  
Chairman  
Springfield

Dr. George Rogers  
Secretary  
Columbia

Mrs. Nancy Pinckney  
Secretary  
Charleston

Mrs. Celeste Hodges  
Kingstree

Mrs. Annie R. Dodds  
Charleston

Mrs. Alleene Crawley  
Vice Chairman  
Greenville

Mr. Sherman Smith  
Sumter

Ms. Sarah Spruill  
Cheraw

Senator Ernest Passailaigue  
Charleston

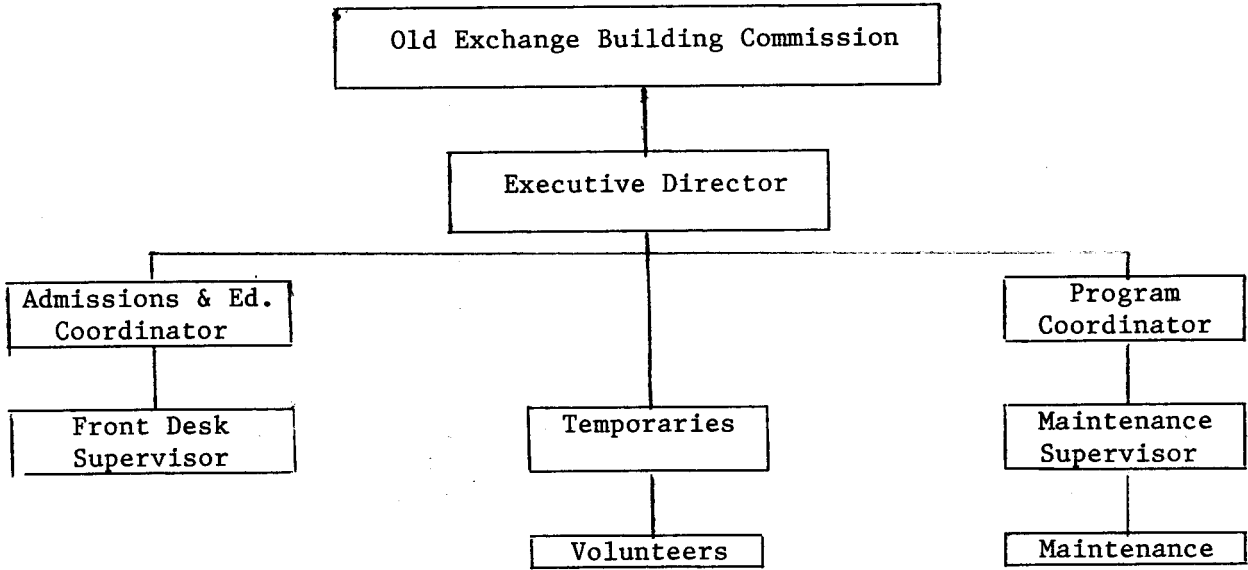
Rep. James Bailey  
Charleston

Captain John Coussons  
Charleston

Catherine (Kathi) Russell  
Executive Director  
Old Exchange Building

Mr. James Bogle, Jr., Advisor  
Assistant Attorney General  
Attorney Generals Office  
P.O. Box 11549  
Columbia, SC 29211

**ORGANIZATIONAL CHART**



**STAFF**

Kathi Russell.....Director  
Tara Knight.....Admissions & Ed. Coordinator  
Lana R. Porter.....Program Coordinator  
Suzanne Houser.....Front Desk Supervisor  
Issac Williams.....Maintenance Supervisor

## THE OLD EXCHANGE BUILDING

The Old Exchange Building Commission was created by Act 678 and amended by R-270 in 1977.

The Commission shall have responsibility for the restoration, development, administration and control of the Old Exchange Building, one of the three great public buildings of Colonial America.

### HISTORIC REVIEW

On April 27, 1767, the Commons House of Assembly passed the act which granted to his majesty, the King of England, sixty thousand pounds, to build the Exchange as a place to exchange or trade goods as well as the Customs House in which to collect duties on incoming cargoes. The money to build the Exchange came from the local taxation of wine, rum, and bisket.

In 1773, meetings were held in the Exchange to protest English encroachment on the rights of colonists. It was from these meetings that South Carolina's government descended. Independence was declared in March 1776.

In the cellars of the Exchange, American patriots were held by the British Provost Marshall during the battle for America's freedom. Three of South Carolin's signers of the Declaration of Independence were held in the Provost Dungeon (cellars) for their treasonous act of signing such a document.

Following the Revolution, the United States Constitution was ratified for the State of South Carolina at the Exchange Building on May 23, 1788. In 1791, George Washington was entertained here on five different occasions during a one-week stay in Charleston.

On February 14, 1818, the City of Charleston sold the Old Exchange Building to the Federal Government for \$60,000. It then became a post office and remained the customs house and center of Charleston's commercial activity. It was the first Confederate Post Office. Closed for damages it received during the Civil War, it later reopened as a Federal Post Office.

With completion of a new post office building, the federal government put the Old Exchange Building up for sale. To save it from developers, the South Carolina Daughters of the American Revolution campaigned to preserve the historic building. Their actions were rewarded on March 4, 1913, when a bill passed the United States Congress, authorizing the Secretary of the Treasury "to convey, by quit claim deed the Old Exchange...to the Order of the Daughters of the American Revolution in and of the State of South Carolina, to be held by it as a historical memorial in trust for such use, care and occupation thereof by the Rebecca Motte Chapter of said order ...as the chapter shall in its judgment deem to best subserve the preservation of said colonial building and promote the honorable and patriotic purpose for which the grant requested." The South Carolina DAR permitted the Army, Navy and Coast Guard (Coastal Pickets) to use the Old Exchange during World Wars I and II.

Owning one of the most significant buildings in American history was an awesome responsibility for the Rebecca Motte chapter of the DAR. The State approached the organization with an offer of help. The Old Exchange Building Commission was established by the Act of the General Assembly and was given operative and administrative control of matters relating to the Old Exchange Building. A lease was signed in December of 1976, giving the Old Exchange Building Commission effective control over most of the building for the next 25 years. The Commission also has the option to continue control for three more consecutive 25 year periods.

A contract for restoration was signed on August 10, 1979. After restoration was completed, the Building was officially reopened to the public on October 5, 1981. It was refurbished in 1988. Visitors may tour the Old Exchange Building and Provost Dungeon, rent one of the elegant rooms available for meetings, receptions, dinners, etc., or participate in special programs such as Pirate Perils.

### **PROGRAMS**

The administration and operation of this small agency is executed by a small staff of six full-time employees. Part-time employees and volunteers augment the work force needed for program development and implementation.

There are varied educational programs available to teachers as well as to the general public. Information packets are available to teachers who bring students to the Exchange. The material can be used for pre and post visit study and projects. Activities are designed for all ages and abilities.

Several special programs are available to enable students to learn by hands on experience and multi-media presentation. Some of these programs are adapted for adult groups. In addition to tours of the building, programs center on archeology, architecture, 18th century trade, South Carolina's ratification of the U.S. Constitution, flags as signal devices, and the pirates that were associated with the Old Exchange. Revenues to support the education programs are enhanced by rental of rooms for receptions, seminars, dinners and other suitable purposes.

All programs are developed with a two fold purpose: to educate the public of the importance of the Old Exchange Building and to increase revenues of the building to support these programs and help with building maintenance. Because of its age, the Building is in need of constant maintenance.

FISCAL REPORT

Contents

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| Statement of Changes in Current<br>Operating Funds | Exhibit B |
| Schedule of Current Operating Funds                | Exhibit C |
| Sources of Revenue                                 | Exhibit D |
| Notes to the Financial Statements                  |           |



## EXHIBIT A

OLD EXCHANGE BUILDING COMMISSION  
BALANCE SHEET

June 30, 1990

AssetsLiability and Fund Balance

## Current Funds:

## Current Funds:

Cash           54,662  
Accts. Rec.    2,355  
St. Treas.    53,104

Unrestricted  
Accts. Payable           89  
Due to City of  
Charleston           31,853  
Due to State  
General Fund           279

Total Current Funds    110,121

Restricted Fund:  
Unearned Income  
& security dep.       9,794

## Fixed Assets:

Equip. Inv.    34,616

TOTAL Liability                   42,015

TOTAL Equip.  
Inventory                   34,616

Fixed Assets           34,616

Fund Balance           68,106    102,722

TOTAL ASSETS           \$144,737

TOTAL LIABILITY  
& FUND BALANCE       \$144,737

## EXHIBIT B

OLD EXCHANGE BUILDING COMMISSION  
STATEMENT OF CHANGES IN CURRENT OPERATING FUNDS  
FOR THE YEAR ENDED JUNE 30, 1990

|                          |                   |
|--------------------------|-------------------|
| Balance July 1, 1989     | \$ -0-            |
| Revised Appropriations   |                   |
| Personnel Services       | 24,341            |
| Contract Services        | 95,419            |
| Supplies                 | 709               |
| Travel                   | 2,243             |
| Light, Power, Heat       | 1,900             |
| Per Diem                 | 1,922             |
| Fringe Benefits          | 2,639             |
| Fixed Charges            | <u>406</u>        |
| TOTAL ADDITIONS          | 129,579           |
| Deductions               |                   |
| Personnel Services       | 24,341            |
| Contractual Services     | 95,419            |
| Supplies                 | 709               |
| Travel                   | 1,946             |
| Light, Power, Heat       | 1,900             |
| Per Diem                 | 1,922             |
| Fringe Benefits          | 2,639             |
| Fixed Charges            | <u>406</u>        |
| TOTAL DEDUCTIONS         | 129,282           |
| BALANCE DUE GENERAL FUND | <u><u>297</u></u> |

## EXHIBIT C

OLD EXCHANGE BUILDING COMMISSION  
SCHEDULE OF CURRENT OPERATING FUNDS  
FOR THE YEAR ENDED JUNE 30, 1990

| <u>Title</u>         | <u>Original</u><br><u>Appropriation</u> | <u>Revised</u><br><u>Appropriation</u> | <u>Expenditures</u> | <u>Bal.</u> |
|----------------------|---|--|---------------------|-------------|
| Administration       |   |  |                     |             |
| Personnel Services   |   | 24,341                                 | 24,341              | -0-         |
| Contractual Services | 125,414                                 | 95,419                                 | 95,419              | -0-         |
| Supplies             |   | 709                                    | 709                 | -0-         |
| Travel               | 2,590                                   | 2,243                                  | 1,946               | 297         |
| Lights, Power, Heat  |   | 1,900                                  | 1,900               | -0-         |
| Per Diem             | 1,575                                   | 1,922                                  | 1,922               | -0-         |
| Fringe Benefits      |   | 2,639                                  | 2,639               | -0-         |
| Fixed Charges        |   | <u>406</u>                             | <u>406</u>          | <u>0</u>    |
|                      | <u>129,579</u>                          | <u>129,579</u>                         | <u>129,282</u>      | <u>297</u>  |

## EXHIBIT D

OLD EXCHANGE BUILDING COMMISSION  
SOURCES OF REVENUE  
FOR THE YEAR ENDED JUNE 30, 1990

|                 |                      |
|-----------------|----------------------|
| Admissions      | 60,538               |
| Gift Shop       | 5,104                |
| Building Rental | 20,076               |
| Interest        | 2,545                |
| Miscellaneous   | <u>277</u>           |
| <b>TOTAL</b>    | <b><u>88,540</u></b> |

OLD EXCHANGE BUILDING COMMISSION

NOTES TO FINANCIAL STATEMENT

JUNE 30, 1990

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Note 1 - Summary of Significant Accounting Policies

**Basis of Accounting:**

The financial statements have been prepared on an accrual basis.

**Fund Accounting:**

To ensure observance of limitations and restrictions placed on the use of resources available to the Commission, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes into funds that are in accordance with specified activities or objectives. Separate accounts are maintained for each fund.

**General Fixed Assets:**

Fixed assets are recorded as expenditures of the general operating fund upon acquisition and subsequently capitalized at actual cost in the general fixed asset account group. In accordance with the generally accepted accounting principles prescribed for governmental funds, a provision for depreciation of general fixed assets is not recorded.

**Contract Accounting:**

The Old Exchange Building Commission is a State Commission that was established by Act 678 of the General Assembly and amended by R-270 in 1977. The Commission executed a management agreement with the City of Charleston on August 31, 1989, which was ratified by the State Budget and Control Board on December 20, 1989. This agreement transferred operative and administrative control of the Building to the City of Charleston (See Note 4).

To help support the Building and the educational programs, the Building is rented to individuals and organizations for receptions, dinners, seminars and other appropriate uses. Under the terms of the rental contracts, a deposit of one half the rental charge is due upon signing the contract. Since the contracts are signed months or years in advance, these deposits are held in escrow until three days before the rental, at which time these deposits become earned revenue. As such, the balance sheet includes deferred revenues which consist of deposits for events to be held after June 30, 1990. All revenues earned and to be carried over for use in subsequent years are shown as the fund balance.

**Note 2 - Retirement Plan:**

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As of June 30, 1990, no current employees were covered by the South Carolina Retirement System.

**Note 3 - Changes in General Fixed Assets**

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Changes in general fixed assets for the year ended June 30, 1990, and are as follows:

| <u>Balance<br/>7/1/89</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance<br/>6/30/90</u> |
|---------------------------|------------------|------------------|----------------------------|
| \$34,616                  | -0-              | -0-              | \$34,616                   |

**Equipment:**

The beginning balance and deletions for FY90 have not been verified at June 30, 1990, and as such are for general information only.

**Note 4 - Significant Events**

---

The Commission entered into a management agreement with the City of Charleston to assume full control and responsibility for the daily operations of the Old Exchange Building, including tours and third party rentals. All state appropriations to the Exchange Commission, with the exception of funds set aside for travel and per diem expenses of the Commission members, are transferred to the City of Charleston. These funds, along with all revenues generated by the city as the result of visitation or rentals, will be used in the operations and maintenance of the building, and/or improvements to the building and its contents. If the management agreement is not renewed or is terminated, these funds will be transferred to the Commission.