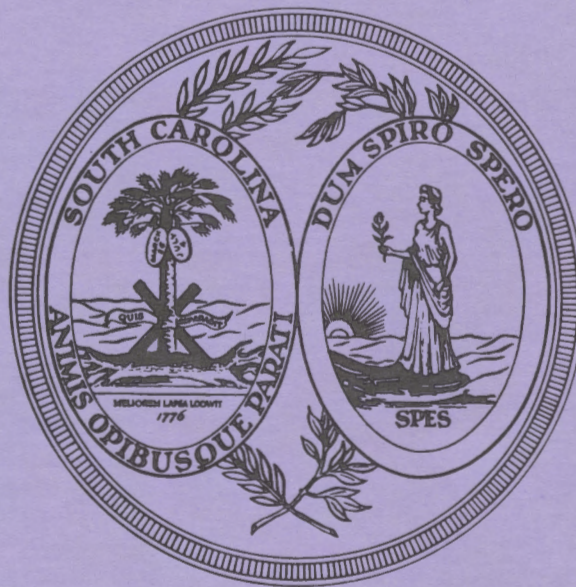


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**SOUTH CAROLINA
OLD EXCHANGE BUILDING
COMMISSION**



**ANNUAL REPORT
1991-1992**

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The State of South Carolina



The Old Exchange Building Commission

October 1, 1992

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 1991 - 1992.

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

October 1, 1992

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

Dear Mrs. Burgdorf:

Included in this annual report of the Old Exchange Building for fiscal year 1991-92 is a brief overview of the building's history, operations and contributions to the community. More detailed information is available and can be supplied upon request.

Respectfully submitted,


Frances McCarthy, Director
Old Exchange Building

OLD EXCHANGE BUILDING COMMISSION

Mrs. Louise T. Burgdorf
Chairman
Springfield

Mrs. Nancy Pinckney
Secretary
Charleston

Mrs. Alleene Crawley
Vice Chairman
Greenville

Capt. John Coussons
Charleston

Mrs. Ruth Dodds
Charleston

Mrs. Celeste Hodges
Kingstree

Mrs. Patty McGee
Charleston

Mr. Sherman Smith
Sumter

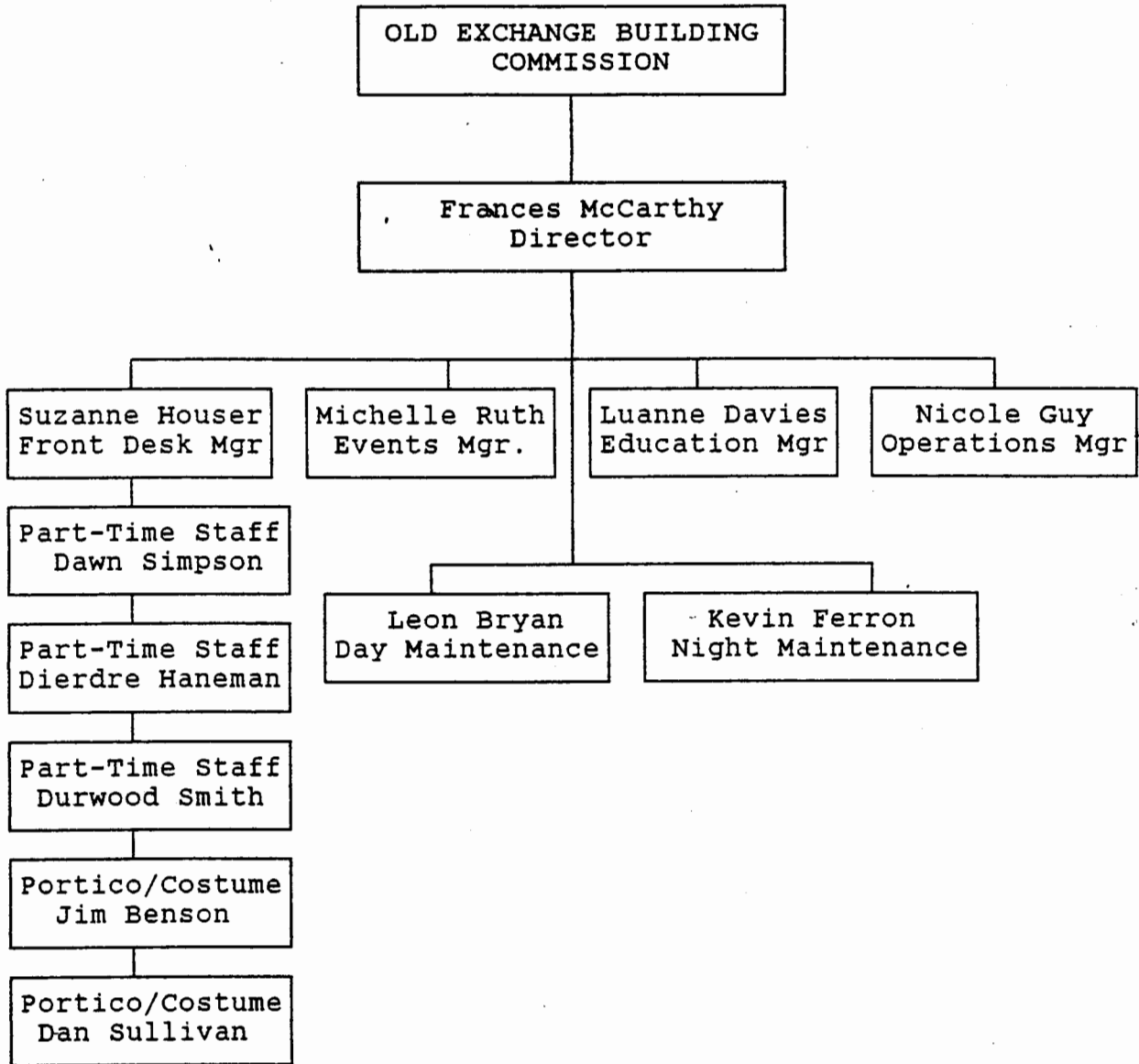
Mrs. Sarah Spruill
Cheraw

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

Ms. Frances McCarthy
Executive Director
Old Exchange Building

ORGANIZATIONAL CHART

OLD EXCHANGE AND PROVOST DUNGEON
122 E. Bay Street, Charleston



5 Permanent Full-Time
1 Permanent Part-Time
6 Temporary

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 and control of the Old Exchange Building, one of the three great buildings of Colonial America.

HISTORICAL OVERVIEW

On April 27, 1767, the Commons House of Assembly passed the act granting the King of England sixty thousand pounds to build the Exchange and Customs House. It was to be a place in which to exchange or trade goods, and in which to collect duties on incoming cargoes. The money to build the Exchange came from local taxes on wine, rum and flour.

In 1773, local citizens held meetings in the Great Hall of the Exchange to protest English violation of their rights as colonists, such as the issue of taxation without representation. During these meetings, South Carolina's leaders emerged. Independence was declared in March 1776.

In the cellars of the Exchange, American patriots were held by the British Provost Marshall during the Revolutionary War. Three of South Carolina'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, South Carolina ratified the United States Constitution at the Exchange Building on May 23, 1788. In 1791, George Washington was entertained in the Great Hall on four 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. The Old Exchange served as Charleston's post office, yet remained the City's customs house and center of commercial activity until the Civil War when it was temporarily closed due to damages from Union shelling. It later reopened, and was used as the post office until 1896.

With the completion of a new post office building, the federal government put the Old Exchange Building up for sale. To save it from possible destruction, the South Carolina Daughters of the American Revolution campaigned to preserve this historic building.

Their efforts were rewarded on March 4, 1913, when the United States Congress authorized the Secretary of the Treasury "to convey, by quitclaim deed, the Old Exchange . . .to the Order of 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 said 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 is requested." The deed provided for the Light House Department to continue use of the building until provisions could be made for other quarters. During World Wars I and II, the Old Exchange was called into "patriotic use" again, this time to provide office and storage space for the Coast Guard, Army and Navy.

Owning one of the most significant buildings in American history was an awesome responsibility for the Rebecca Motte Chapter of the DAR. The State of South Carolina 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 on December 1976 giving the Old Exchange Building Commission effective control over most of the building for the next 25 years.

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. Visitors may tour the Old Exchange and Provost Dungeon, rent one of the elegant rooms available for meetings, receptions, dinners, etc., or participate in various educational programs.

FISCAL REPORT

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OLD EXCHANGE BUILDING COMMISSION
 COMPARATIVE BALANCE SHEET
 FOR THE YEAR ENDING JUNE 30, 1991 AND 1992

| <u>ASSETS</u> | <u>1991</u> | <u>1992</u> |
|------------------------------------|---------------------|---------------------|
| Cash | \$ 345,133 | \$ 551,521 |
| Due from State Treasurer | <u>46,153</u> | <u>-</u> |
| TOTAL ASSETS | \$ 391,286 ===== | \$ 551,521 ===== |
| | | |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 266 | \$ 1,164 |
| Due to the General Fund | 200,242 | 209,847 |
| Building Rental Deposit | <u>27,010</u> | <u>15,362</u> |
| | \$ <u>227,518</u> | \$ <u>226,373</u> |
| FUND BALANCE | <u>163,768</u> | <u>325,148</u> |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 391,286 ===== | \$ 551,521 ===== |

EXHIBIT B

OLD EXCHANGE BUILDING COMMISSION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDING JUNE 30, 1991 AND 1992

| | <u>1991</u> | <u>1992</u> |
|--------------------------------------|--------------|--------------|
| Total Revenues | \$ 404,504 | \$ 468,932 |
| Expenditures | | |
| Personnel Services | 87,073 | 127,619 |
| Repairs and Mainenance | 44,513 | 15,159 |
| Administrative Expenses | 17,087 | 21,530 |
| Utilities | 27,785 | 27,205 |
| Rental and Tourism | 24,955 | 29,292 |
| Support Services | 29,266 | 15,587 |
| General Building Expenses | 12,144 | 14,345 |
| Resale Purchases | 18,984 | 56,267 |
| Furnishings | <u>4,916</u> | <u>7,516</u> |
| Total Expenditures | \$ 266,723 | \$ 314,520 |
| Excess of Revenues over Expenditures | \$ 137,781 | \$ 154,412 |

EXHIBIT C

OLD EXCHANGE BUILDING COMMISSION
SCHEDULE OF STATE ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 1992

| TITLE | BUDGETED APPROPRIATION | EXPENDITURES |
|----------------------|---------------------------|--------------|
| Contractual Services | \$ 115,518 | \$ 115,518 |
| Travel | 2,278 | 2,124 |
| Per Diem | 1,500 | 1,155 |
| | <hr/> | <hr/> |
| | \$ 119,292 | \$ 118,797 |

EXHIBIT D

OLD EXCHANGE BUILDING COMMISSION
SOURCES OF REVENUE
FOR THE YEAR ENDING JUNE 30, 1991 AND 1992

| | <u>1991</u> | <u>1992</u> |
|----------------------------|--------------|---------------|
| Admissions | \$ 158,066 | \$ 163,032 |
| Education Group Admissions | - | 8,724 |
| State Appropriation | 124,562 | 115,518 |
| Gift Shop Sales | 36,666 | 84,385 |
| Building Rental | 62,679 | 72,102 |
| Security Fees | 10,556 | 5,865 |
| Costumed Guide Fees | 2,319 | 3,019 |
| Forfeited Damage Deposits | 1,673 | 625 |
| Miscellaneous | 4,506 | 4,606 |
| Interest | <u>3,477</u> | <u>11,056</u> |
| TOTAL | \$ 404,504 | \$ 468,932 |

**OLD EXCHANGE BUILDING
NOTES TO FINANCIAL STATEMENT
JUNE 30, 1991 AND 1992**

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 are separated 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, 1991 and 1992. All revenues earned and to be carried over for use in subsequent years are shown as the fund balance.

Note 2 - Retirement Plan:

As of June 30, 1991 and 1992 respectively, there were 0 and 1 employee covered by the South Carolina Retirement System.

Note 3 - Changes in General Fixed Assets:

There were no changes in general fixed assets for the year ended June 30, 1992.

| <u>Balance</u> <u>7/1/91</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>6/30/92</u> |
|---------------------------------|------------------|------------------|----------------------------------|
| \$ 34,616 | \$ -0- | \$ -0- | \$ 34,616 |

Equipment:

The beginning balance and deletions for FY92 have not been verified by June 30 1992, 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 for 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.

The financial records of the City of Charleston are audited annually at the close of the City's fiscal year on December 31. The financial information presented in this report is for the period ending June 30, 1991 and 1992, and contains information which has not yet been subjected to normal audit testing procedures and verifications. Accordingly, the information contained herein is not complete without reference to the City of Charleston's comprehensive annual financial report (CAFR) for the year ending December 31, 1991, and 1992, and the report to be issued upon the close of the City's present fiscal year on December 31, 1992.

| | |
|--|------------------|
| Total Number of Documents Printed | <u>114</u> |
| Cost Per Unit | \$ <u>1.74</u> |
| Printing Cost - S.C. State Budget & Control Board (up to 255 copies) | \$ <u>198.24</u> |
| Printing Cost - Individual Agency (requesting over 255 copies) | \$ <u>—</u> |
| Total Printing Cost | \$ <u>198.24</u> |