

MINUTES OF BUDGET AND CONTROL BOARD MEETING

NOVEMBER 4 1971

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The Budget and Control Board met in the Conference Room of the State Auditor's Office at 11:00 a. m. on Thursday, November 4, 1971, with all Board members in attendance. The meeting was also attended by Messrs. P. C. Smith and W. T. Putnam.

The heads of the following Departments appeared before the Board to present their budget requests.

State Development Board
Department of Agriculture
Lander College
Senator Drummond and other interested parties

CENTURY SOUVENIR COMPANY OF SOUTH CAROLINA - Mr. Howard Bargreen, President of the Century Souvenir Company of South Carolina, and his attorney Mr. W. F. Prioleau appeared before the Board concerning an alleged claim against the State of South Carolina in the amount of \$136,768.16. Mr. Bargreen claims the foregoing amount as the monetary loss which he suffered as a result of a contract with the Tricentennial Commission.

It was pointed out that a suit had been entered in Federal Court but had been dismissed and the claimant felt that his appearance before the Budget and Control Board was his first step toward an administrative remedy.

The Board accepted the petition as information. (A copy of an accountant's statement has been retained in the Budget and Control Board files and is marked as Exhibit I)

UNIVERSITY OF SOUTH CAROLINA - PERMANENT IMPROVEMENTS - The Board approved a request of the University of South Carolina for the following capital improvements:

Married Student Housing	\$2 350 000
Pickens Street Property Acquisition	500 000
Energy Facility Expansion	550 000
Physical Education Center Expansion	121 000

The Board also approved a request of the University that the total of the Thomas Cooper Library extension be increased from \$8,097,500 to \$9,200,000. The additional amount would be provided by funds originally designated for the purchase of the Federal Building located on Sumter Street across from the University. The Board also agreed that the University could begin construction of the Library during the middle of the year 1972, provided available funds were used. It was clearly stated that the existing schedule of capital improvement bond funds would not be altered to accommodate this project.

WORLD WAR I VETERANS - Mr. Henry Mills advised the Budget and Control Board that he had received a request from the World War I Veterans Organization for an increase of \$1,000 in the contributions which the State makes to that Organization under the Contributions section of the Appropriations Bill. The Board received this request as information.

TAX COMMISSION - The Board was advised of a request by the South Carolina Tax Commission for the trading of two of the Commissioners' cars. However, it was determined that the cars did not meet previously established criteria as set by the Board; and the request was denied.

MENTAL HEALTH COMMISSION - The Board approved a request by the Mental Health Commission that it be permitted to begin construction on a complex known as "Village A" and that the Commission be permitted to finance this construction through the issuance of \$4,525,000 of capital improvement bonds.

BUDGET REPORT - Mr. P. C. Smith presented a tentative draft of the 1972-73 budget based upon the requirements of the various agencies.

This draft showed the normal salary increments of both State employees and teachers, but contained no additional increase for either. This initial schedule showed the difficulty of financing the established services of State agencies without consideration for a percentage raise for teachers or employees.

After much discussion the Board expressed its concern for some increase for State employees and teachers for the fiscal year 1972-73, and Mr. Smith and the budget staff were requested to review the preliminary budget to determine the extent to which appropriations to the various departments would have to be reduced to provide for a 7 percent increase for both teachers and State employees. The Board agreed to meet again when further budget information is available.

There being no further business, the meeting was adjourned at 5:30 p. m.

AGENDA MATERIALS
AND SUPPORTING DOCUMENTS
FOR THE MEETING OF
NOVEMBER 4, 1971

CENTURY SOUVENIR CO. OF S. C.
DIVISION OF CENTURY SOUVENIR CO., INC.
EVERETT, WASHINGTON
AUGUST 31, 1971

500

C. C. MCGREGOR & COMPANY

C. C. MCGREGOR, C. P. A.
(1906-1968)
G. M. WILLIAMS, JR., C. P. A.
(1919-1965)
M. P. DEBRUHL, C. P. A.
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W. J. KINNEY, C. P. A.
R. L. HENDRIX, JR., C. P. A.
J. M. STOVER, C. P. A.

CERTIFIED PUBLIC ACCOUNTANTS
1514 PICKENS STREET
P. O. Box 135
COLUMBIA, S. C. 29202

MEMBERS:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOUTH CAROLINA ASSOCIATION OF
CERTIFIED PUBLIC ACCOUNTANTS

TELEPHONE 779-4860
AREA CODE 803

Sept. 13, 1971

Mr. Howard S. Bargreen, Pres.
Century Souvenir Co., Inc.
1624 Taylor Street
Columbia, S. C.

Dear Sir:

Pursuant to your authorization, we have prepared financial statements, as indexed, from the books and records of

CENTURY SOUVENIR CO., OF S. C.

COLUMBIA, S. C.

and present herewith our report for the period from November 1, 1969 to August 31, 1971.

Inasmuch as our function was the preparation of financial statements without audit verification of assets, liabilities, income and expense, we are precluded from expressing an independent accountant's opinion on the fairness of the overall representations contained in the attached statements.

Respectfully submitted,

C. C. MCGREGOR & COMPANY

By *M. W. Phillips, Jr.*

Certified Public Accountant

CENTURY SOUVENIR CO. OF S. C.

COLUMBIA, S. C.

INDEX

AUGUST 31, 1971

EXHIBIT

A BALANCE SHEET
B INCOME AND EXPENSE

CENTURY SOUVENIR CO., INC.COLUMBIA, S. C.BALANCE SHEETAUGUST 31, 1971AssetsCurrent Assets

Cash on Hand and on Deposit	\$28,411.42	
Accounts Receivable - Trade	1,745.73	
Accounts Receivable - Henley	3,904.74	
Accounts Receivable - PRT	72,637.57	
Utility Deposits	117.84	\$106,817.30

Fixed Assets

Automobile	4,066.25	
Less Accumulated Depreciation	948.78	3,117.47

Total Assets109,934.77LiabilitiesCurrent Liabilities

Accounts Payable - Trade	121,870.24
Notes Payable - Century Souvenir, Texas & Washington	69,783.11
Notes Payable - Bargreen Enterprises	47,000.00
Notes Payable - Howard Bargreen	5,000.00
Accrued Interest	3,049.58

Total Liabilities

246,702.93

Deficit

Operating Deficit per Exhibit B (136,768.16)

Total Liabilities and Deficit109,934.77Prepared from Records Without Audit

CENTURY SOUVENIR CO., INC.

EXHIBIT B

COLUMBIA, S. C.

INCOME AND EXPENSE

NOVEMBER 1, 1969 TO AUGUST 31, 1971

<u>Income from Sales</u>		
Retail and Wholesale Sales	\$394,265.66	
Less Sales Tax	<u>12,438.59</u>	\$381,827.07
<u>Cost of Sales</u>		
Purchases	228,580.20	
Freight	<u>8,607.12</u>	237,187.32
<u>Gross Profit on Sales</u>		144,639.75
<u>Sales of Balance of Inventory</u>		108,956.35
<u>Cost of Balance of Inventory</u>		<u>108,956.35</u> -0-
<u>Total Gross Profit</u>		144,639.75
<u>Operating Expenses</u>		
<u>Administrative Expenses</u>		
Office Salaries	\$29,869.47	
Officer Salaries	17,065.00	
Legal, Accounting and Secretarial	1,484.65	
Insurance	4,838.70	
Administrative Travel	14,779.21	
Telephone	6,219.78	
Dues and Subscriptions	464.99	
Payroll Taxes	8,180.03	
Property Taxes & Licenses	600.71	
Office Supplies & Expense	1,178.06	
Miscellaneous	562.06	
Interest Expenses	<u>4,335.72</u>	89,578.38
<u>Selling Expenses</u>		
Salaries and Commissions	97,108.38	
Contract Services	13,091.58	
Advertising & Postage	4,436.95	
Space & Equipment Rent	11,490.04	
Royalties & Commissions	38,627.13	
Repairs and Supplies	3,840.72	
Miscellaneous	2,173.81	
Utilities	2,042.36	
Depreciation	<u>948.78</u>	<u>173,759.75</u> 263,338.13
<u>Net Operating Loss</u>		(118,698.38)
<u>Other Losses</u>		
Sale of Equipment	34,122.82	
Cost	<u>52,192.60</u>	(18,069.78)
<u>Total Net Losses</u>		<u>(136,768.16)</u>

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Prepared from Records Without Audit

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TELEPHONE 779-4860
AREA CODE 803

November 5, 1971

Mr. Pat Smith
State Auditor
Hampton Preston Building
Columbia, South Carolina

Dear Sir:

Pursuant to Mr. Howard Bargreen's request I am writing this explanation for items appearing on Exhibit B, Income and Expense Statement of Century Souvenir Co. of S. C., designated as Sales of Balance of Inventory and Cost of Balance of Inventory. The inventory in question was "the inventory of Century Souvenir Company, consisting of the warehouse on Taylor Street, Charles Towne Landing, and Midlands Exposition Park," which was sold to the S. C. Department of Parks, Recreation and Tourism for the value of the inventory \$108,956.35, per memorandum PRT to Ray Sisk, from Ralph Rabon, dated August 4, 1971.

The total purchases of Century Souvenir Co. was \$337,536.55 of which \$108,956.35 was subtracted in order to be shown as an offsetting item against the sale to PRT for the value of the inventory stated above. The subtraction leaves the remainder of \$228,580.20 designated as Purchases under Cost of Sales.

The sales of Balance of Inventory consisted of the amount of \$108,956.35 of which \$36,318.78 had been paid and the balance of \$72,637.57 is shown as Accounts Receivable PRT on Exhibit A - Balance Sheet.

I hope that this answers any questions which you may have had.

Yours very truly,

C. C. MCGREGOR & COMPANY

By

David P. Jordan

David P. Jordan

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