



Lawrence F. Alwin, CPA
State Auditor

An Audit Report on
**The State Preservation Board's
Bob Bullock Texas State History Museum Fund**

June 24, 2002

Members of the Legislative Audit Committee:

The State Preservation Board's (Board) fiscal year 2001 annual report to the Board for the Bob Bullock Texas State History Museum Fund accounts for only the museum's \$2.1 million trust fund. The annual report does not include information on the museum's operating fund, which accounted for \$3.7 million in revenues and \$1.1 million in expenses during fiscal year 2001. The annual report would be more useful if it included information about the museum's operating fund because it would provide a complete presentation of all of the museum's funds. This would enable the Legislature to assess the overall financial performance of the museum.

The \$1.1 million in donations to the trust fund were properly accounted for and used for purposes associated with the museum. The \$1.3 million in disbursements made from the trust fund in fiscal year 2001 complied with statutory requirements. Fund balances are reasonable based on revenue and expense activity of the museum during fiscal year 2001. Although the Board did not include the operating fund in the annual report, we performed limited tests on the operating fund's revenue and expenses and did not identify any significant weaknesses.

Texas Government Code, Section 445.011(a), specifies that, to the extent possible, the costs of operating the museum shall be paid from revenues generated by the museum. However, the Legislature may appropriate funds for the operation of the museum. During fiscal year 2001, appropriated General Revenue paid for \$1.2 million of the museum's salary and wage expenses. Table 1 summarizes fiscal year 2001 activity in the trust fund and the operating fund.

Summary of Objective, Scope, and Methodology

Our objective was to fulfill the requirements of Texas Government Code, Section 445.012(d), which requires the State Auditor's Office to review the *Annual Report on the Bob Bullock Texas State History Museum Fund* and report any findings or recommendations to the museum and the Legislative Audit Committee.

Our scope covered the Board's fiscal year 2001 *Annual Report on the Bob Bullock Texas State History Museum Fund*.

Our audit methodology included conducting interviews, sampling and testing transactions, and reviewing other relevant documentation. Work was conducted in April and May 2002.

This audit was conducted in accordance with *Government Auditing Standards*.

Table 1

Fiscal Year 2001 Activity in the Bob Bullock Texas State History Museum Operating and Trust Funds					
Fund	Balance at the Beginning of Fiscal Year 2001	Revenue and Donations	Expenses and Disbursements	Transfers	Balance at the End of Fiscal Year 2001
Trust Fund	\$ 0.2 million	\$ 1.1 million Donations	(\$ 1.3 million) Disbursements	\$2.0 million From Operating Fund \$ 0.1 million From Capitol Fund	\$ 2.1 million
Operating Fund	\$ 0.0 million	\$ 3.7 million Revenue	(\$ 1.1 million) Expenses	(\$ 2.0 million) To Trust Fund	\$ 0.6 million
Total	\$ 0.2 million	\$ 4.8 million	(\$ 2.4 million)	\$ 0.1 million	\$ 2.7 million

Source: State Preservation Board

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June 24, 2002
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The attachment to this letter contains the Board's responses to our report. We appreciate the Board's cooperation and responsiveness during our audit. If you have any questions, please contact Nick Villalpando, Audit Manager, at (512) 936-9500.

Sincerely,

Lawrence F. Alwin, CPA
State Auditor

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Attachment

cc: State Preservation Board
Chair and members of the Board
Mr. Rick Crawford, Executive Director

Management's Response



STATE PRESERVATION BOARD

The Honorable Rick Perry, Governor, Chairman
The Honorable Bill Ratliff, Lieutenant Governor, Co-Vice Chairman
The Honorable James E. "Pete" Laney, Speaker of the House, Co-Vice Chairman
The Honorable David Cain, Texas Senate
The Honorable Tony Goolsby, Texas House of Representatives
Jocelyn L. Straus, Citizen Board Member
Rick Crawford, Executive Director

June 10, 2002

Mr. Lawrence F. Alwin, CPA
State Auditor's Office
1501 N. Congress Ave.
Austin, TX 78701

Dear Mr. Alwin:

The staff of the State Preservation Board thanks the State Auditor's Office for the professional manner in which its staff conducted themselves during their recent review of the Report on the Bob Bullock Texas State History Museum Fund for Fiscal Year 2001.

Based on our understanding of the Legislative intent for this Fund and our precedent handling of Annual Reports on the Capitol Fund, we only formally reported to our Board the activities of the account held with the Texas Safekeeping Trust Company. We will seek to clarify the definition of the Fund during the 78th Legislature.

We concur with the review and appreciate the positive comments contained in the report. We look forward to building upon the first year of effective management of the Museum to ensure a perpetual venue for educating the public on our State's great history.

If the State Preservation Board can ever be of service to the State Auditor's Office, please let me know.

Sincerely,

Rick Crawford
Executive Director

P.O. Box 13286 Austin, Texas 78711 • 201 E. 14th, Suite 950 Austin, Texas 78701 • (512) 463-5495 • Fax: (512) 475-3366 • E-mail: spbadmin@tspb.state.tx.us