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Review of the State Preservation Board s Capitol Fund

August 30, 2000

Members of the Legislative Audit Committee:

The State Preservation Board's (Board) fiscal year 2000 annual report on the Capitol Fund accurately depicts the Fund's activity for the related year and complies with state regulations. As required, the Board itemized donations by donor and disbursed funds according to the donor's intent.

The Capitol Fund is primarily funded with revenues from donations and enterprise activities. With the completion of the Capitol restoration, project donations have decreased. The revenues from various enterprise activities continue to escalate as these programs mature. Thus, as would be expected, donated funds represent a decreasing portion of the Capitol Fund. (See table below.)

Composition of Capitol Fund Revenues			
Year	Donations	Total Revenues	Percentage of Revenues From Donations
1997	\$ 396,255	\$ 1,100,169	36%
1998	\$ 1,337,081	\$ 2,460,583	54.3%
1999	\$ 144,252	\$ 1,669,523	8.6%

As a result of prior recommendations, the Board deposits revenues received from donations within three business days of receipt. It also documented the policies and procedures for its Capitol Fund accounting functions during the past fiscal year.

We appreciate the Board's cooperation and its quick response to our requests for this review. If you have any questions, please contact Elizabeth S. Arnold, CIA, CGFM, Audit Manager, at (512) 936-9500.

Sincerely,

Lawrence F. Alwin, CPA
State Auditor

cbg/Attachment

cc: State Preservation Board
Mr. Rick Crawford, Executive Director
Members of the State Preservation Board

Objective, Scope, and Methodology

We performed a statutory review of the State Preservation Board s 1999 Annual Report on the Capitol Fund. We also reviewed the progress on selected issues reported in A Review of the State Preservation Board s Capitol Fund and Bob Bullock Texas State History Museum Project (SAO Report No. 99-044, August 1999). This review was conducted in accordance with generally accepted auditing standards and Government Auditing Standards.

SAO Report No. 00-044

Management's Response



STATE PRESERVATION BOARD

The Honorable George W. Bush, Governor, Chairman
The Honorable Rick Perry, Lieutenant Governor, Co-Vice Chairman
The Honorable James E. "Pete" Laney, Speaker of the House, Co-Vice Chairman
The Honorable Chris Harris, Texas Senate
The Honorable Tony Goolsby, Texas House of Representatives
Dealey Decherd Herndon, Citizen Board Member
Rick Crawford, Executive Director

August 15, 2000

Mr. Lawrence F. Alwin, CPA
State Auditor's Office
P.O. Box 12067
Austin, TX 78711-2067

Dear Mr. Alwin:

The staff of the State Preservation Board wishes to thank the State Auditor's Office for the professional manner in which its staff conducted themselves during their recent review of the Capitol Fund.

We concur with the review and appreciate the positive comments contained in the report. We look forward to continuing the effective management of our profitable enterprises which contribute to the Capitol Fund for the preservation of our historic structures.

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

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ATTACHMENT