



COUNTY AUDITOR
Fort Bend County, Texas

Robert Ed Sturdivant
County Auditor

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September 19, 2012

Honorable Commissioner's Court
301 Jackson Street
Richmond, TX 77469

Gentlemen:

RE: Fee Officer Bank Account Reconciliation

The Auditor's Office completed extensive research of the Fee Officer Bank account and the total dollars associated with each individual Fee Officer. Once all Fee Officer accounts were reconciled there was a final balance of \$515,870.23 not tied to any of the individual Officers. Available ledgers from January 2000 to current were examined for interest and investment transfers in and out of the Fee Officer account to the investment pool accounts. Most of the transfers out of Fee Officers and invested were inconsistent amounts with no supporting documentation available. The transfers to investments were usually greater than the monthly interest earned. Significant dollar amounts were transferred from Fee Officers to the investment accounts and back for a majority of the time the Fee Officer account existed. Transfers to the investment pool account from Fee Officers ceased in December 2003. Interest earned started being automatically transferred to the General Fund March of 2005.

It is the Auditor's opinion at the conclusion of the analysis that the interest and all investment earnings prior to March 2005 make up the \$515,870.23. To support the conclusion that the balance in Fee Officers was interest and investment earnings, Kathy Hynson was contacted. Ms. Hynson was helpful and stated the Fee Officers account was opened in 1981 or 1982 when she worked in the Auditor's Office. She reported that the bank account did not earn interest at first but when the account began earning interest it was invested in Investment Pool accounts. Ms. Hynson stated that the interest remained with the Fee Officer Account and was not transferred to General Fund.

May 6, 2009 a transfer from the Fee Officer account to General Fund in the amount of \$515,870.23 was made. It remains there until the final distribution to recognize the revenue for prior periods is approved in Commissioner's Court. The Auditor recommends \$515,870.23 be recognized as revenue for prior periods in the General Fund.

Sincerely,

Ed Sturdivant
Fort Bend County Auditor
(281) 341-3769

CC: Roy Cordes

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