



**COUNTY AUDITOR**  
Fort Bend County, Texas

**Robert Ed Sturdivant**  
County Auditor

281-341-3769, 281-341-3774 (fax)  
ed.sturdivant@fortbendcountytexas.gov

July 20, 2016

Re: Asset Tracking and Capitalization Threshold

Honorable Commissioners' Court

Gentlemen,

The County currently has over 12,700 assets that are being inventoried on an annual basis. Buildings, land improvements, land and infrastructure are not visually inventoried due to their fixed (immovable) locations. These assets are summarized as follows (as of 9/30/2015):

Asset Type	Count	Value
Tracking Assets (< \$5k value)	9,118	\$ 19,511,433
Weapons	828	649,336
Vehicles	1,050	37,089,219
Road Equipment	435	27,411,051
Office Furniture & Equipment	1,336	30,314,736
Buildings & Land Improvements	190	352,302,778
Land		383,866,412
Infrastructure		582,441,532
Total	12,957	\$1,433,586,497

I am proposing to move the tracking threshold to \$5,000 and the capitalization threshold to \$10,000 effective 8/1/2016. Weapons would remain as tracked assets regardless of value. This would result in the removal of 9,118 tracking assets valued at \$19.5 million from the annual inventory process. These tracking assets represent 71.4% of the total count and 17% of the total value of items inventoried annually. A significant resource commitment is necessary from Purchasing, Auditor, and all county departments to accomplish the annual inventory process. The inventory process begins in November and finishes in June due to the current volume of assets being monitored. There is also a significant effort from these same resources to document and tag items that have values less than \$5,000 throughout the fiscal year.

This change would allow a more intense focus on the assets that represent the material value (83%) of the County's inventoried items. Management within each department and office would still be responsible for all assets used by their staff regardless of value. The Auditor's Office monitors control procedures for the acquisition and disposition of assets perpetually for all departments and offices. There have been no instances of fraud or theft identified by the inventory process in all the years I have been County Auditor. Therefore this change would provide a more efficient asset management process without a loss of controls. Please let me know if you have any questions or concerns.

Thank you