



To: All Fiscal Officers
From: Robert Caldwell, Chief Financial Officer
Date: December 2, 2024
Subject: **Annual Inventory**

Section 305.18 of the Ohio Revised Code (ORC) states as follows:

Each county officer or department head shall make an inventory, on the **second Monday in January** of each year, of all the materials, machinery, tools, furniture, and other county supplies under the jurisdiction of such county officer or department head. Such inventory shall be a public record, made in duplicate, and one copy shall be filed with the clerk of the board of county commissioners and one copy with the county auditor.

In order to comply with Section 305.18, three separate inventories need to be completed as follows:

Materials Inventory

The County reports materials held for consumption as an asset in the financial statements. In accordance with Generally Accepted Accounting Principles, inventories are valued at cost using the first in/first out (FIFO) method and recorded as expenditures when used rather than when purchased. As such, your office needs to conduct a physical count of **consumable** materials and supplies on hand and assign values. Examples of common items included in this classification include road salt, ammunition, automotive parts, and print shop supplies. Contact the Auditor's Office with questions regarding process, materiality, etc.

Machinery, Tools, Equipment, and Supplies

In addition to verification of the capital asset listing, your office should also make an inventory of the machinery, tools, furniture and equipment that have a value of less than the capitalization threshold (**nonconsumables**). **There is no need to assign values to these items as they have minimal financial statement impact, but the ORC does mandate that they be inventoried.**

Capital Assets

Capital assets can be tangible or intangible, have a useful life that extends beyond one year, and have a cost or fair market value of \$15,000 or more (\$5,000 or more for some agencies). The Auditor's Office will forward a listing of your capital assets per our records on or before February 1, 2024. Your agency will need to verify the accuracy and completeness of the listing, identify any changes or corrections, sign it and return it to the Auditor's Office.

To permit the external auditors the opportunity to schedule inventory observations, please complete the attached **Inventory Schedule** to let us know when you will be performing the physical inventory and return it to the Auditor's Office, ATTN: Amy Hernandez Paz by **December 13, 2024**.

For your convenience, we have attached forms that can be used for the consumable supplies inventory and for the equipment inventory with a value of less than the capitalization threshold. The forms are also available on the Fiscally Speaking website. You may use these forms, or substitute forms with the same information. At any rate, we encourage electronic filing as opposed to paper.

<http://www.franklincountyauditor.com/fiscal/fiscally-speaking/form-center/year-end-forms>



FRANKLIN COUNTY AUDITOR MICHAEL STINZIANO

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The completed inventories should be forwarded to the Auditor's Office, ATTN: Amy Hernandez Paz no later than **January 22, 2025**. The Auditor's Office will then forward a copy of your inventory to the Commissioners' Office. As such, you do not need to make a separate filing with the Commissioners' Office. Instead, the Auditor's Office will file on your behalf in order to ensure ORC compliance.

If you have any questions, please feel free to contact Amy Hernandez Paz at 614-525-7348 or amy.hernandezpaz@franklincountyohio.gov. Thank you for your cooperation.

Attachments



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