



# Letter to Subdivisions

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*Union County Auditor*



February 2, 2026

**RE: Annual Carryover Balance Disclosure – Budget Commission Review Process.**

To All Political Subdivisions within Union County:

For many years, county budget commissions throughout Ohio, including the Union County Budget Commission, exercised statutory discretion to **waive the formal filing of tax budgets** for political subdivisions. In lieu of traditional tax budget submissions, budget commissions relied on alternative financial information, historical levy authorizations, and established local practices to fulfill their duties under Ohio Revised Code Chapter 5705.

Recent legislative action and policy direction from the State of Ohio reflect a clear shift away from waiver-based practices and toward **more active, data-driven oversight by county budget commissions**. As a result, budget commissions are now expected to more clearly document their review of available resources, accumulated fund balances, and the relationship between revenue collections—including property taxes—and demonstrated financial need.

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### **Budget Commission Authority and Approach**

The Union County Budget Commission's statutory role remains unchanged. The Commission does not direct expenditures, establish local policy, or control day-to-day operations of political subdivisions. However, Ohio Revised Code Chapter 5705 requires the Budget Commission to actively examine financial information and determine whether levies and appropriations are legally authorized, supported by available resources, and reasonable.

Because prior tax budget filing requirements were waived and certain statutory references to tax budgets have been removed or modified over time, the Budget Commission has determined that an **alternative review method** is necessary to meet its current oversight obligations. The process outlined in this notice represents the Commission's adopted approach for fulfilling those responsibilities beginning with **Fiscal Year 2026**.

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### What Is New Beginning FY 2026

Effective with tax year 2026 budget reviews, political subdivisions will be required to submit:

- A completed **Annual Carryover Balance Disclosure Spreadsheet** for applicable funds; and
- A brief **narrative explanation** only when specified thresholds are exceeded or clarification is requested.

This disclosure will be used in place of previously waived tax budget filings as the primary mechanism by which the Budget Commission evaluates available resources, fund balance trends, and fiscal sustainability.

To support this process, the Budget Commission is providing:

1. A **written instruction document** outlining filing requirements, deadlines, and acceptable supporting documentation; and
2. A **standardized Excel template** to be completed and submitted annually.

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### Implementation and Ongoing Refinement

The Budget Commission recognizes that this represents a transition from long-standing practices. Accordingly, **Fiscal Year 2026 will serve as an initial implementation and evaluation period.** Information collected will be used to establish baseline data, identify trends, and assess whether adjustments to the review process are warranted.

The Commission anticipates that this alternative review method **may be refined over time** to improve clarity, efficiency, and usefulness as data is collected and analyzed. Any substantive changes will be communicated in advance.

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### Carryover Threshold Guidance

For purposes of determining when additional explanation may be required, a carryover balance exceeding **30% of a fund's annual appropriations** will generally trigger a narrative disclosure. This benchmark is intended to promote transparency and consistency and does not imply that such balances are improper or excessive.

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### **Compliance and Budget Commission Review Actions**

The information requested through this disclosure process is necessary for the Budget Commission to fulfill its statutory responsibilities. Failure to submit required information, or failure to provide sufficient explanation when requested, may prevent the Commission from completing its required review.

In such cases, and as provided by Ohio law, the Budget Commission **may be required to:**

- Delay or withhold approval of budget-related actions pending receipt of sufficient information;
- Adjust or allocate property tax millage based on available and verified information;
- Reduce or withhold local government fund distributions for upcoming years where statutory conditions are not met; and/or
- Require additional review, including an **in-person public hearing in open session**, at which elected officials and the fiscal officer or treasurer of the political subdivision may be required to attend.

These actions are statutory in nature and are intended to ensure compliance with Ohio law and protect the interests of taxpayers.

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### **Legislative Context and Taxpayer Transparency**

This alternative review process is being implemented in response to statewide legislative initiatives emphasizing **fiscal transparency, taxpayer protection, and alignment of revenue collections with demonstrated need**. The General Assembly has expressed concern regarding the accumulation of significant carryover balances while property taxes and other revenues continue to be levied.

The purpose of this process is not to discourage prudent financial planning or legally restricted reserves, but to ensure that such balances are clearly documented, understood, and communicated as part of the public budgeting process.

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### **Filing Deadline and Supporting Documentation**

The completed disclosure spreadsheet must be submitted **with the annual budget commission filing timeline**, as outlined in the accompanying instructions. Acceptable supporting documentation may include high-level financial reports such as UAN fund summaries, financial statements, grant documentation, and governing board minutes, as specified in the instructions.



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Invoices, contracts, or detailed expenditure records should not be submitted unless specifically requested.

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**Questions and Assistance**

Questions regarding this process or its implementation may be directed to the Budget Commission Secretary. The Budget Commission appreciates the cooperation of all political subdivisions as we transition to this updated oversight approach and work collaboratively to ensure responsible stewardship of public resources.

Respectfully,

**Union County Budget Commission**

Andrea Weaver

David Phillips

Andrew Smarra

*Union County Auditor, Secretary*

*Union County Prosecutor*

*Union County Treasurer*

instructions to go w/ letter

\* DID NOT PRINT Excel File

### **Budget Commission Carryover Balance Disclosure Instructions**

The purpose of this disclosure is to provide the Union County Budget Commission with consistent, high-level financial information regarding fund carryover balances for all political subdivisions. This review supports statutory oversight responsibilities under Ohio Revised Code Chapter 5705 and recent legislative emphasis on transparency of accumulated fund balances. This disclosure is informational only and does not grant the Budget Commission authority over expenditure decisions or operational priorities.

### **Entities Required to File**

All political subdivisions subject to Budget Commission review, including:

- Townships
- Villages
- Cities
- Fire Districts
- School Districts

### **Filing Deadline**

The completed Carryover Balance Disclosure Spreadsheet must be submitted with the entity's annual tax budget filing, unless otherwise directed by the Budget Commission.

Late submissions may delay Budget Commission action and will be held until the next scheduled meeting.

### **Spreadsheet Instructions**

Tab 1 – Summary (Required for all entities):

- Complete one line per fund.
- Enter prior-year ending cash balance, estimated revenues, and current-year appropriations.
- Carryover balance and carryover percentage should be calculated consistently across all funds.
- Indicate whether balances are restricted and whether the carryover threshold has been exceeded.

Tab 2 – Fund Detail (Required only if flagged):

- Complete only if carryover exceeds the established threshold or clarification is requested.
- Identify the nature of the balance (grant, statutory restriction, capital reserve, etc.).
- Do not include detailed project budgets or invoices.

**Tab 3 – Narrative (Required only if flagged):**

- Provide a brief explanation of why the balance exists.
- Identify whether the balance is planned or timing-related.
- Include an estimated timeframe for use (no specific project approvals required).

**Acceptable Supporting Documentation (If Requested)**

Supporting documentation may be requested for clarification purposes only. Acceptable documentation includes, but is not limited to:

- UAN Cash Summary or Fund Status Reports
- Year-end or most recent financial statements
- Grant award letters or reimbursement schedules
- Board or Council meeting minutes approving reserves or capital plans
- Levy or ballot language identifying restricted uses

Do not submit invoices, contracts, or expenditure detail unless specifically requested.

**Emergency or Interim Requests**

Requests for interim or emergency Budget Commission action involving significant fund balance changes may require additional explanation of available cash and intended use. Such requests must be submitted at least three (3) business days prior to the requested meeting date.

**Submission Instructions**

Submit the completed spreadsheet and any requested documentation via email to the Budget Commission Secretary. Please submit one complete package using one delivery method only. Email is the preferred method. Confirmation of receipt is required.

**Important Notes**

- This disclosure does not replace statutory filings required under Ohio Revised Code.
- The Budget Commission does not approve expenditures or direct fund usage.
- Information provided will be used to document reasonableness and compliance.