PERRY
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PASSION Beyond the Numbers

MECC REGIONAL COUNCIL OF GOVERNMENTS
FRANKLIN COUNTY

REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2025-2024

MECC REGIONAL COUNCIL OF GOVERNMENTS
FRANKLIN COUNTY

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INDEPENDENT AUDITOR'S REPORT

MECC Regional Council of Governments
Franklin County
400 W Johnstown Road Suite 230
Gahanna, OH 43230

To the Council Members:

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the MECC Regional Council of Governments, Franklin County, Ohio (the COG), as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the COG's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash-basis financial position of the COG, as of December 31, 2025 and 2024, and the respective changes in cash-basis financial position thereof and for the years then ended in accordance with the cash-basis of accounting described in Note 2.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the COG, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management for the Financial Statements (Cont.)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the COG's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the COG's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the COG's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2026, on our consideration of the COG's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the COG's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the COG's internal control over financial reporting and compliance.

Perry & Associates CPA's A.C.

Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

April 30, 2026

MECC REGIONAL COUNCIL OF GOVERNMENTS
FRANKLIN COUNTY, OHIO
STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2025

ASSETS:

Current Assets:		
Cash with fiscal agent	$	2,058,769
Total Current Assets		2,058,769
Net cash position:		
Unrestricted		2,058,769
Total net cash position	$	2,058,769

The accompanying notes are an integral part of these financial statements.

NOTE 1 - DESCRIPTION OF THE COUNCIL

The MECC Regional Council of Governments (the "COG") was formed on October 22, 2015, pursuant to Chapter 167 of the Ohio Revised Code. The COG was created as a regional council of governments by an Agreement between Jefferson Township, Mifflin Township, Plain Township, Truro Township, Franklin County and Violet Township, Fairfield County. The COG was created to more effectively manage the provision of shared services and programs, including efficient methods of delivery of public safety dispatch operations, fire, law enforcement and emergency medical and related services, technology services, and selected benefit services, and to promote cooperative agreements and contracts between its members and other governmental agencies (defined broadly as the "MECC Services").

The COG is governed by a Governing Board who are official representatives of each "Founding Members" of those political subdivisions whose governing bodies have taken formal action to approve the Agreement and companion By-Laws by June 1, 2015 or the initial meeting creating the COG, whichever was later.

The COG through its Governing Board may by a two-thirds vote of the delegates of the Governing Board, admit other political subdivisions of the State of Ohio to membership in the COG, which political subdivisions are referred to as "Non-Founding Members".

In order to be eligible for membership, a political subdivision must have executed a resolution on the part of the political subdivision's governing body accepting the Agreement and Bylaws; and have currently paid all dues and any other expenses as established by the Agreement and Bylaws; and have executed any additional agreement for participation that may be required by the COG from time to time, including acknowledging its intent to become bound by the Agreement and Bylaws.

The COG, at this time, employs no personnel. The Truro Township Administrator has been appointed by the COG to be responsible to the Governing Board. The COG Governing Board believes that these cash-basis statements represent all activities for which the COG is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.B., these financial statements are presented on the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In cases where these cash basis statements contain items that are the same as, or similar to, those items in the financial statements prepared in conformity with GAAP, similar informative disclosures are provided.

For fiscal year 2025, GASB Statement No. 102, Certain Risk Disclosures, was effective. The objective of GASB 102 is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

A. Basis of Presentation

The COG presents financial statements in a format consistent with GASB Statement No. 34, *"Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments."* The financial statements include adequate disclosure of material matters, in accordance with the basis of accounting described in Note 2.B.

NOTE 3 – DEPOSITS (Continued)

Custodial credit risk is the risk that in the event of bank failure, the COG deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the COG. The COG has no deposit policy for custodial credit risk beyond the requirements of State statue. Although the securities were held by pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with deferral requirements could potentially subject the COG to a successful claim by the FDIC.

NOTE 4 – FUND ACCOUNTING

The Council maintains its accounting records in accordance with the principles of fund accounting. Fund accounting is a concept developed to meet the needs of the governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The Council uses an enterprise fund to account for its operations. Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (disbursements) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of receipts, disbursements, and/or change in net position is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

NOTE 5 – FUND BALANCE

Fund balance is divided into five classifications based primarily on the extent to which the COG must observe constraints imposed upon the use of governmental-fund resources. The classifications are as follows:

1. **Non-spendable**

   The COG classifies assets as non-spendable when legally or contractually required to maintain the amounts intact.

2. **Restricted**

   Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws, or regulations of other governments; or is imposed by law through constitutional provisions.

3. **Committed**

   The Board can commit amounts via formal action (resolution). The COG must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

NOTE 9 – CONTINGENCIES

Litigation

The COG is currently not party to any pending litigation.

NOTE 10 – RELATED PARTY TRANSACTIONS

Since the continued existence of the COG is dependent upon the participation of each member entity, all transactions between the COG and each member entity are considered related party transactions. Those would be the Founding Members of the COG.

MECC REGIONAL COUNCIL OF GOVERNMENTS
FRANKLIN COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION (CASH BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2024

Operating cash receipts:		
Charges for services	$	2,657,434
Other		4,179
Total operating cash receipts		2,661,613
Operating cash disbursements:		
Purchased Services		2,129,797
Materials and Supplies		7,764
Capital Outlay		288,399
Other		226,301
Total operating cash disbursements		2,652,261
Operating Income		9,352
Non-operating cash receipts:		
Intergovernmental - ARPA Grant		630,474
Interest Income		30,808
Total non-operating cash receipts		661,282
Changes in net cash position		670,634
Net cash position at beginning of year		1,194,691
Net cash position at end of year	$	1,865,325

The accompanying notes are an integral part of these financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting

The COG's financial statements are prepared using the cash basis of accounting. Under the cash basis of accounting, receipts are recorded in the COG's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received, but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

C. Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The COG first applies restricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted net cash position is available.

D. Budgetary Process

The Ohio Revised Code (ORC) does not require the COG to budget annually, therefore, no budgetary information is presented in these financial statements. The COG management does prepare a budget for internal monitoring purposes. Expenditures that are within the agreed upon budget shall require a majority consent by a quorum of the Governing Board whereas expenditures that are outside the agreed upon budget shall require a unanimous consent by the representatives of the Governing Board.

E. Operating Personnel

Through the Agreement to Establish a Regional Council of Governments, the COG has the authority to perform all functions necessary to establish, improve, maintain, unwind, and dispose of the System, including employing staff necessary to assist in the operations of the COG. As of December 31, 2024, the COG did not have any employees.

NOTE 3 – DEPOSITS

The COG's cash is held by the Fiscal Agent, Truro Township, who acts as custodian for COG monies. The COG's deposits are held in the Fiscal Agent's cash pool and are valued at the Fiscal Agent's reported carrying amount. The COG's portion of the Fiscal Agent's cash management pool is presented on the financial statements as "Cash with Fiscal Agent."

The Ohio Revised Code prescribes allowable deposits of the Fiscal Agent. The carrying amount of COG's cash held by its Fiscal Agent at December 31, 2024 was $1,865,325.

NOTE 5 – FUND BALANCE (Continued)

The COG applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

The COG records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

NOTE 7 – RISK MANAGEMENT

The COG belongs to the Public Entities Pool of Ohio (PEP) a risk sharing pool available to Ohio entities. PEP provides property and casualty coverage for its members. Sedgwick (formerly known as York Risk Pooling Services, Inc.), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed members' deductibles.

<u>Casualty and Property Coverage</u>

The Pool is a member of the American Public Entity Excess Pool (APEEP), which is also administered by Sedgwick. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

NOTE 8 – SIGNIFICANT COMMITMENTS

Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrances accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Encumbrances outstanding at year-end are reported as part of restricted, committed, or assigned classifications of fund balance. Encumbrances outstanding at year-end are canceled, and re-appropriated in the subsequent year.

NOTE 9 – CONTINGENCIES

<u>Litigation</u>

The COG is currently not party to any pending litigation.

NOTE 10 – RELATED PARTY TRANSACTIONS

Since the continued existence of the COG is dependent upon the participation of each member entity, all transactions between the COG and each member entity are considered related party transactions. Those would be the Founding Members of the COG.

PERRY
& Associates CPAs

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

MECC Regional Council of Governments
Franklin County
400 W Johnstown Road Suite 230
Gahanna, OH 43230

To the Council Members:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash-basis financial statements of the MECC Regional Council of Governments, Franklin County, Ohio, (the COG) as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the COG's basic financial statements and have issued our report thereon dated April 30, 2026, wherein we noted the COG uses a special purpose framework other than generally accepted accounting principles.

Report in Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the COG's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the COG's internal control. Accordingly, we do not express an opinion on the effectiveness of the COG's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the COG's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the COG's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the COG's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the COG's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

April 30, 2026