

SourcePoint
Delaware County, Ohio

AUDIT REPORT

For the Year Ended December 31, 2016



Dave Yost • Auditor of State

Board of Directors
SourcePoint
800 Cheshire Rd
Delaware, OH 43015

We have reviewed the *Independent Auditor's Report* of the SourcePoint, Delaware County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The SourcePoint is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

September 6, 2017

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SourcePoint
DELAWARE COUNTY
AUDIT REPORT
For the Year Ended December 31, 2016

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

SourcePoint
Delaware County, Ohio
800 Cheshire Road
Delaware, Ohio 43015

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of SourcePoint, Delaware County, Ohio, which comprise the statement of net position as of December 31, 2016 and 2015, and the related statements of activities, statement of functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to SourcePoint's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of SourcePoint's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

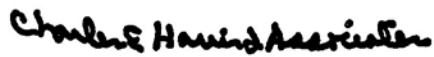
We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SourcePoint, Delaware County, Ohio, as of December 31, 2016 and 2015, and the changes in its financial position and its cash flows, for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2017 on our consideration of SourcePoint'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 SourcePoint's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
June 23, 2017

SourcePoint
Statements of Financial Position
December 31, 2016 and 2015

| Assets | | | |
|--|---------------------|-----------|--------------------|
| | <u>2016</u> | | <u>2015</u> |
| Current Assets | | | |
| Cash | \$ 2,859,139 | \$ | 2,245,771 |
| Investments | 5,769,841 | | 5,242,213 |
| Accounts Receivable | 96,896 | | 115,699 |
| Inventory | 53,304 | | 56,187 |
| Prepaid Expense | 77,024 | | 66,905 |
| Total Current Assets | 8,856,204 | | 7,726,775 |
| Property and Equipment | | | |
| Furniture & Equipment | 901,290 | | 808,368 |
| Leasehold Improvements | 1,225,859 | | 1,225,859 |
| Vehicles | 111,962 | | 94,911 |
| Accumulated Depreciation | (1,137,736) | | (990,969) |
| Property & Equip. net of Depreciation | 1,101,375 | | 1,138,169 |
| Other Assets | | | |
| Other Assets | 2,500 | | 2,500 |
| Beneficial Interest in Assets | 31,193 | | 29,562 |
| Total Other Assets | 33,693 | | 32,062 |
| Total Assets | \$ 9,991,272 | \$ | 8,897,006 |
| Liabilities and Net Assets | | | |
| Current Liabilities | | | |
| Accounts Payable | 304,646 | | 200,994 |
| Accrued Payroll and related Liabilities | 219,398 | | 209,701 |
| Grants Payable | 90,344 | | 58,879 |
| Deferred revenue | 54,714 | | 2,195 |
| Total Current Liabilities | 669,102 | | 471,769 |
| Net Assets | | | |
| Temporarily Restricted | 720,207 | | 718,120 |
| Unrestricted: | | | |
| Designated by the Board for Capital improvements | 1,061,352 | | 886,352 |
| Undesignated | 7,540,611 | | 6,820,765 |
| Total Net Assets | 9,322,170 | | 8,425,237 |
| Total Liabilities and Net Assets | \$ 9,991,272 | \$ | 8,897,006 |

See accompanying notes to financial statements

SourcePoint
Statements of Activities and Changes in Net Assets
For the years Ended December 31, 2016 and 2015

| | <u>Unrestricted</u> | Temporary <u>Restricted</u> | 2016 <u>Total</u> | 2015 <u>Total</u> |
|--|---------------------------|--------------------------------|----------------------------|---------------------------|
| Operating Revenues: | | | | |
| Revenue and Support: | | | | |
| Property Tax Levy | \$7,049,374 | - | \$7,049,374 | \$6,696,518 |
| Intergovernmental | 890,420 | - | 890,420 | 878,188 |
| Grants | 577,215 | - | 577,215 | 529,930 |
| Service Fees | 630,618 | - | 630,618 | 592,564 |
| Donations | 256,167 | \$13,482 | 269,649 | 287,782 |
| Investment Income, net of fees | 84,325 | 15,784 | 100,109 | 72,743 |
| Gain / Loss on Marketable Securities | (34,363) | 879 | (33,484) | (75,810) |
| Other | 124,418 | - | 124,418 | 177,481 |
| Net Assets Released from Restrictions | 28,058 | (28,058) | - | - |
| Total Revenue and Support | <u>9,606,232</u> | <u>2,087</u> | <u>\$ 9,608,319</u> | <u>9,159,396</u> |
| Operating Expenses: | | | | |
| Expenses: | | | | |
| Program Expenses: | | | | |
| In-Home Care Services | 5,421,504 | - | 5,421,504 | 4,852,453 |
| Enrichment Center | 1,110,517 | - | 1,110,517 | 878,431 |
| Community Grants | 692,093 | - | 692,093 | 548,970 |
| Outreach and Communications | 483,106 | - | 483,106 | 546,418 |
| Hospitality and Event Services | 52,387 | - | 52,387 | 74,734 |
| Total Program Expenses | <u>7,759,607</u> | - | <u>7,759,607</u> | <u>6,901,006</u> |
| Management and General | 797,321 | - | 797,321 | 707,794 |
| Development and Fundraising | 154,458 | - | 154,458 | 130,610 |
| Total Operating Expenses | <u>8,711,386</u> | <u>-</u> | <u>8,711,386</u> | <u>7,739,410</u> |
| Increase (Decrease) in Net Assets from Operations | 894,846 | 2,087 | 896,933 | 1,419,986 |
| Net Assets - Beginning of Year | <u>7,707,117</u> | <u>718,120</u> | <u>8,425,237</u> | <u>7,005,251</u> |
| Net Assets - End of Year | <u>\$8,601,963</u> | <u>\$720,207</u> | <u>\$9,322,170</u> | <u>\$8,425,237</u> |

See accompanying notes to financial statements

SourcePoint
Statement of Functional Expenses
For the Year Ended December 31, 2016

| | <u>In-Home Care Services</u> | <u>Enrichment Center</u> | <u>Community Grants</u> | <u>Communication & Outreach</u> | <u>Hospitality & Event Services</u> | <u>Total Program Services</u> | <u>Development</u> | <u>Management and General</u> | <u>2016 Total Expenses</u> | <u>2015 Total Expenses</u> |
|-----------------------------------|--------------------------------------|------------------------------|-----------------------------|---|---|---------------------------------------|-------------------------|-----------------------------------|--------------------------------|--------------------------------|
| Salaries | \$1,642,740 | \$542,306 | \$ - | \$245,581 | \$15,956 | \$2,446,583 | \$70,051 | \$466,489 | \$2,983,123 | \$2,772,759 |
| Payroll Taxes and Fringe Benefits | 619,337 | 155,251 | - | 108,485 | 5,363 | 888,436 | 25,978 | 195,690 | 1,110,104 | 883,612 |
| Total Personnel Costs | <u>\$2,262,077</u> | <u>\$697,557</u> | <u>-</u> | <u>\$354,066</u> | <u>\$21,319</u> | <u>\$3,335,019</u> | <u>\$96,029</u> | <u>\$662,179</u> | <u>\$4,093,227</u> | <u>\$3,656,371</u> |
| Contracted Client Services | 2,268,566 | - | - | - | - | 2,268,566 | - | - | 2,268,566 | 1,914,830 |
| Grants | - | - | 692,093 | - | - | 692,093 | - | - | 692,093 | 548,970 |
| Raw Food / Kitchen Supplies | 521,887 | - | - | - | 20,759 | 542,646 | - | - | 542,646 | 523,265 |
| Advertising | 3,076 | 821 | - | 29,532 | - | 33,429 | 785 | 334 | 34,548 | 40,835 |
| Printing | 8,136 | 3,035 | - | 42,181 | 4 | 53,356 | 2,790 | 879 | 57,025 | 90,071 |
| Depreciation & Amortization | 76,581 | 59,567 | - | 6,705 | 927 | 143,780 | 2,994 | 13,262 | 160,036 | 126,626 |
| Subs, Dues, and Licenses | 3,396 | 1,424 | - | 1,611 | - | 6,431 | 530 | 3,263 | 10,224 | 12,070 |
| Operating Service Fees | 69,389 | 119,848 | - | 15,054 | 2,216 | 206,507 | 5,461 | 26,536 | 238,504 | 215,658 |
| Sponsorships | - | - | - | 7,255 | - | 7,255 | 375 | - | 7,630 | 15,774 |
| Postage | 10,314 | 2,676 | - | 4,230 | 30 | 17,250 | 1,610 | 2,231 | 21,091 | 18,034 |
| General Supplies | 19,646 | 51,977 | - | 10,476 | 4,048 | 86,147 | 39,214 | 9,865 | 135,226 | 146,891 |
| Professional Fees | 10,329 | 714 | - | 4,866 | - | 15,909 | 2,589 | 46,461 | 64,959 | 51,987 |
| Training | 6,702 | 793 | - | 252 | - | 7,747 | - | 2,762 | 10,509 | 12,260 |
| Equipment, Furniture, Rental | 14,893 | 6,959 | - | 2,365 | 70 | 24,287 | - | 3,405 | 27,692 | 29,305 |
| Telephone and Internet | 23,467 | 3,083 | - | 1,712 | 131 | 28,393 | - | 2,366 | 30,759 | 29,349 |
| Travel, Entertainment, Melas | 24,301 | 2,828 | - | 2,801 | 5 | 29,935 | 2,081 | 10,048 | 42,064 | 40,147 |
| Utilities | 19,102 | 120,599 | - | - | 945 | 140,646 | - | 5,084 | 145,730 | 146,986 |
| Maintenance and Repair | 39,554 | 30,562 | - | - | 284 | 70,400 | - | 2,058 | 72,458 | 67,323 |
| Insurance | 30,689 | 8,074 | - | - | 96 | 38,859 | - | 6,534 | 45,393 | 46,164 |
| Other | 9,399 | - | - | - | 1,553 | 10,952 | - | 54 | 11,006 | 6,494 |
| Total Expenses | <u><u>\$5,421,504</u></u> | <u><u>\$1,110,517</u></u> | <u><u>\$692,093</u></u> | <u><u>\$483,106</u></u> | <u><u>\$52,387</u></u> | <u><u>\$7,759,607</u></u> | <u><u>\$154,458</u></u> | <u><u>\$797,321</u></u> | <u><u>\$8,711,386</u></u> | <u><u>\$7,739,410</u></u> |

See accompanying notes to financial statements

SourcePoint
Statements of Cash Flows
For the years Ended December 31, 2016 and 2015

| | <u>2016</u> | <u>2015</u> |
|---|----------------------------------|----------------------------------|
| Cash Flows from Operating Activities: | | |
| Change in Net Assets | \$896,933 | \$1,419,986 |
| Adjustments to Reconcile to Net Cash Provided by Operating Activities: | | |
| Depreciation & Amortization | 160,036 | 126,626 |
| Decrease (increase) in assets: | | |
| Accounts Receivable | 18,803 | 39,285 |
| Inventory | 2,883 | (15,215) |
| Prepaid Expenses | (10,119) | (20,058) |
| Other Assets | (1,631) | 667 |
| Increase (decrease) in liabilities: | | |
| Accounts Payable and Accrued Expense | 113,349 | 10,560 |
| Grants Payable | 31,465 | 2,778 |
| Deferred Revenue | <u>52,519</u> | <u>(3,520)</u> |
| Net Cash Provided from Operating Activities | 1,264,238 | 1,561,109 |
| Cash Flows from Investing Activities: | | |
| Purchase of Capital Assets | (123,242) | (573,341) |
| Purchase of Investments | (500,000) | (1,357,374) |
| Proceeds from Maturing Investments | 28,000 | 357,874 |
| Interest Earnings on Investments | (90,864) | (68,399) |
| (Gain)Loss on Marketable Securities | <u>35,236</u> | <u>74,040</u> |
| Net Cash Provided from (used by) Investing Activities | <u>(650,870)</u> | <u>(1,567,200)</u> |
| Net Change in Cash and Cash Equivalents | 613,368 | (6,091) |
| Cash and Cash Equivalents - Beginning of the Year | <u>2,245,771</u> | <u>2,251,862</u> |
| Cash and Cash Equivalents - End of the Year | <u><u>\$2,859,139</u></u> | <u><u>\$2,245,771</u></u> |

See accompanying notes to financial statements

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2016 and 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

SourcePoint is a non-profit 501(c)(3) organization that provides professional expertise, services and programs for Delaware County adults who want to thrive after 55. SourcePoint receives the majority of its revenue from a county aging- services property tax levy. The most recent 1.2-mil levy was approved by Delaware County voters in May 2013. This levy generates proceeds for SourcePoint beginning in 2014 and will expire at the end of 2018.

SourcePoint provides services for people ages 55 and older, and it funds the provision of in-home and community-based services throughout the county. Many of these services are designed to enable older adults to remain living safely at home, while others are designed to ensure successful aging by promoting good health and wellness and community engagement. In-home services include: case management, Meals on Wheels, nutritional supplements, medical transportation, minor home repair, chore services, adult day care, personal care, homemaker services, respite, caregiver support, emergency response systems, and more. SourcePoint also offers a large enrichment center which features a fitness center, a warm water exercise pool, arts, education, travel and numerous regular programs and activities. Additionally, SourcePoint provides community education and outreach, special events, informative publications, hospitality services, and a wide variety of volunteer opportunities.

Basis of Accounting

The financial statements of SourcePoint have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes all cash held in unrestricted demand deposit accounts as well as cash on hand.

Accounts Receivable

Accounts receivable consist of consumer accounts (fees for services).

Inventory

Inventory consists of supplies available for sale to clients as well as food and packaging materials used in producing home delivered meals or hospitality services. Inventory is valued at cost.

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2016 and 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Property and Equipment

Property and Equipment are recorded at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which generally are from five to seven years. SourcePoint capitalizes assets which costs exceed \$1,000 and which useful lives exceed one year.

Accrued Payroll and Related Liabilities

A liability is accrued for paid time off when employees' rights to compensation are earned, vested and measurable.

Revenue Recognition

SourcePoint recognizes property tax revenue when it is measurable and available to finance expenditures of the current fiscal period. SourcePoint recognizes grant revenue when the related expenditure is made. "Available" means collected within the current period and used to pay liabilities of the current period.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt. No amounts have been reflected in the statements for donated services, however, a substantial number of volunteers have donated significant amounts of their time in the organization's program services.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Taxes

SourcePoint is a voluntary health and welfare organization exempt from Federal income taxes under Section 501(c) (3) of the Internal Revenue Code. SourcePoint has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(6)(1)(A)(iv). SourcePoint has unrelated business income from advertising space and hospitality & event service operations. No provision has been made for income tax as SourcePoint anticipates the associated expenses will exceed the revenue.

SourcePoint
 Delaware County
 Notes to the Financial Statements
 December 31, 2016 and 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

Subsequent events have been evaluated through June 23, 2017 the date the financial statements were available to be issued.

2. CONCENTRATION OF CREDIT RISK

SourcePoint maintains checking with local financial institutions. The checking account is insured by the Federal Deposit of Insurance Corporation up to \$250,000 and, in addition, has been collateralized up to \$1,500,000 by the depository bank. All funds held in the checking account in excess of \$1.5 million, are insured by the U.S. treasuries, through a Federated Sweep account. All checking accounts were insured at December 31, 2016 and December 31, 2015.

SourcePoint maintains investment funds with two local financial corporations. The investment portfolios contain primarily fixed income bonds which are uncollateralized and uninsured.

3. INVESTMENTS

Investments are reported at fair market value and consist of the following as of December 31, 2016 and December 31, 2015.

| <u>Investments</u> | <u>2016</u> | <u>2015</u> |
|-------------------------|--------------------|--------------------|
| | <u>Level 1</u> | <u>Level 1</u> |
| Bonds | \$4,391,902 | \$3,379,056 |
| Equities | 645,206 | 610,061 |
| Cash/Money Market | 612,087 | 629,114 |
| Certificates of Deposit | <u>120,646</u> | <u>623,982</u> |
| Total Investments | <u>\$5,769,841</u> | <u>\$5,242,213</u> |

4. NET ASSETS

Board Designated for Capital Improvements

In December 2008, Sourcepoint designated a portion of net assets for capital improvements and major maintenance projects, as well as emergency repairs at the center. Annually the SourcePoint Board of Directors earmarks the amount of money to be added to this fund.

Legacy Fund

In 2014, SourcePoint created a restricted fund known as the Legacy Fund. Expenditures from the Legacy Fund would require prior approval from the Enrichment Center Program Board and subsequent approval from the Board of Directors of SourcePoint.

SourcePoint
 Delaware County
 Notes to the Financial Statements
 December 31, 2016 and 2015

4. NET ASSETS – (Continued)

Scholarship Fund

In 2014, SourcePoint began soliciting contributions to be used to award scholarships for seniors to help offset the cost of Enrichment Center membership and activities. Those funds are treated as temporarily restricted contributions, until they are awarded to recipients. Awards began in the fall of 2016.

The following summarizes the balances of Net Assets with limited use as of December 31:

| | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|
| Board Designated for Capital Improvement | \$1,061,352 | \$ 886,232 |
| Legacy Fund | 684,272 | 695,610 |
| Scholarship Fund | 13,435 | 6,510 |
| Other Contributions | 22,500 | 16,000 |

5. LEASES

In October 2007, SourcePoint entered into a lease agreement with the Delaware County Commissioners, to lease real property consisting of 12.74 acres, more or less, known as 800 Cheshire Road, Delaware, Ohio, improved with a 58,000 square foot facility, including meeting and activity rooms, offices, kitchen, exercise pool and paved parking areas.

The terms of the lease agreement specify that leased premises shall be used to provide services to improve the quality of life of older adults in Delaware County, Ohio. In addition, SourcePoint is required to maintain compliance with all provisions set forth in applicable bond financing certificates issued by Delaware County. (Delaware County Commissioners issued Capital Facilities Refunding Bonds, series 2013, in the amount of \$7,245,000, for the purpose of paying the costs of refunding bonds previously issued by the County to purchase land and construction at 800 Cheshire Road, Delaware Ohio, for the purpose of providing a facility for senior citizens. The Commissioners previously issued Capital Facilities Bonds, series 2005A, in the amount of \$12,000,000).

Lease payments under this lease are \$1.00 per year, and SourcePoint may purchase right title and interest in the leased premises at the termination of the lease. During the term of the lease SourcePoint is responsible for all maintenance, repairs, utilities, taxes, assessments, insurance, improvements and all general upkeep of the leased property. The lease terminates December 31, 2025.

Several office machines, including copier/printers and a postage machine are under lease arrangement, the leases will be available to renew or terminate in 2019 and 2020; future combined minimum lease payments under these leases are as follows:

| | |
|-----------------|-----------------|
| 2017 - \$14,523 | 2019 - \$ 9,267 |
| 2018 - \$14,523 | 2020 - \$ 870 |

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2016 and 2015

6. PROPERTY AND EQUIPMENT

The following schedule summarizes the changes in property and equipment for the year ended December 31, 2016.

| | January 1 <u>2016</u> | <u>Additions</u> | <u>Disposals</u> | December 31 <u>2016</u> |
|-----------------------------------|--------------------------|--------------------|------------------|----------------------------|
| Equipment, Furniture and Fixtures | \$ 808,369 | \$106,190 | \$(13,269) | \$901,290 |
| Leasehold Improvements | 1,225,859 | - | - | 1,225,859 |
| Vehicles | 94,910 | 17,052 | - | 111,962 |
| Less Accumulated Depreciation | <u>(990,969)</u> | <u>(160,036)</u> | <u>13,269</u> | <u>(1,137,736)</u> |
| Totals | <u>\$1,138,169</u> | <u>\$ (36,794)</u> | <u>\$ -</u> | <u>\$1,101,375</u> |

The following schedule summarizes the changes in property and equipment for the year ended December 31, 2015.

| | January 1 <u>2015</u> | <u>Additions</u> | <u>Disposals</u> | December 31 <u>2015</u> |
|-----------------------------------|--------------------------|------------------|------------------|----------------------------|
| Equipment, Furniture and Fixtures | \$744,330 | \$ 92,848 | \$(28,809) | \$808,369 |
| Leasehold Improvements | 745,366 | 480,493 | - | 1,225,859 |
| Vehicles | 94,910 | - | - | 94,910 |
| Less Accumulated Depreciation | <u>(893,152)</u> | <u>(126,626)</u> | <u>28,809</u> | <u>(990,969)</u> |
| Totals | <u>\$691,454</u> | <u>\$446,715</u> | <u>\$ -</u> | <u>\$1,138,169</u> |

7. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

In 1997, SourcePoint deposited \$10,000 with the Delaware County Community Foundation (the foundation), an Ohio non-profit corporation to establish the SourcePoint Fund (the fund). The fund is to be used for charitable, educational, and public purposes. Distributions will be made from the fund to charitable organizations at the discretion of the Foundation's Board of Trustees, and may include the original deposit. The SourcePoint Board of Directors has reserved the right to suggest how the money will be distributed. In addition, SourcePoint may request that the fund be returned to SourcePoint, although final authority rests with the foundation.

ASC 958 states that a transfer of assets where the resource provider specifies itself or an affiliate as the beneficiary is not a contribution and shall be recorded as an asset, even if variance power has been explicitly granted to the recipient organization.

The market value of the Fund at December 31, 2016 and 2015 was \$31,193 and \$29,562, respectively, which included SourcePoint's original contribution, contributions made to the fund by outside parties, and earnings and cumulative changes in market value.

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2016 and 2015

8. GRANTS PAYABLE AND COMMITMENTS

SourcePoint has entered into grant agreements with various organizations to assist these organizations in providing services to the senior population of Delaware County. Grants payable are amounts due to these organizations at December 31, 2016 and 2015, for services provided through December 31, 2016 and 2015.

| | <u>2016</u> | <u>2015</u> |
|--|-----------------|-----------------|
| Help Line of Delaware and Morrow Counties, Inc | \$23,833 | \$9,551 |
| Delaware Area Transit Authority | 16,764 | 16,764 |
| Catholic Social Services | 10,888 | 2,165 |
| National Church Residences /Heritage Day | 6,955 | 2,330 |
| Alzheimer's Association | 6,124 | 7,429 |
| Delaware Speech and Hearing | 4,932 | 7,325 |
| Delaware County Juvenile Court | 4,483 | 1,905 |
| Delaware County Health District | 3,390 | 103 |
| Grady Memorial Hospital / DRIVE | 2,958 | 3,975 |
| Central Ohio Area Agency on Aging | 2,500 | 2,500 |
| Employment for Seniors | 2,429 | 1,768 |
| Legal Aid Society | 1,879 | - |
| Common Ground | 1,250 | - |
| Alpha Group | 1,120 | - |
| Drug Free Delaware | 815 | 657 |
| Ohio State University Extension | - | 2,407 |
| Community Action Organization unties | <u>24</u> | <u>-</u> |
| Total | <u>\$90,344</u> | <u>\$58,879</u> |

The following organizations have been awarded grants by SourcePoint for the term to being in 2017:

| | <u>2017</u> |
|---|-------------|
| Delaware Area Transit Agency | \$201,168 |
| Help Line of Delaware and Morrow Counties, Inc. | 94,919 |
| Delaware Speech & Hearing | 80,000 |
| Catholic Social Services | 54,663 |
| Alzheimer's Association of Central Ohio | 54,148 |
| The Ohio Health Foundation- D.R.I.V.E. | 25,135 |
| Williow-Brook Christian Services | 20,700 |
| Grace Clinic | 20,000 |
| People in Need | 20,000 |
| Delaware County Juvenile Court | 19,082 |
| Lutheran Social Services | 15,000 |
| Central Ohio Area Agency on Aging | 10,000 |
| Delaware General Health District | 9,937 |
| Employment for Seniors | 9,728 |
| The Legal Aid Society of Columbus | 7,000 |

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2016 and 2015

8. GRANTS PAYABLE AND COMMITMENTS – (Continued)

| | |
|------------------------------|------------------|
| Drug Free Delaware Coalition | 5,736 |
| Common Ground Free Store | 5,000 |
| The Alpha Group | <u>4,500</u> |
| Total | <u>\$656,716</u> |

9. GRANTS

SourcePoint provided grants to the following organizations during 2016 and 2015. Although the 2016 Grant Awards totaled \$716,965, only \$692,094 was remitted to Grantees due to actual costs being less than projected budgets.

| | <u>2016</u> | <u>2015</u> |
|--|------------------|------------------|
| Delaware Area Transit Agency | \$201,168 | \$201,168 |
| National Church Residences | 123,691 | 20,600 |
| Help Line of Delaware & Morrow Counties, Inc | 92,464 | 88,629 |
| Delaware Speech & Hearing | 77,131 | 84,669 |
| Alzheimer's Association | 54,148 | 55,078 |
| Catholic Social Services | 45,853 | 41,085 |
| Lutheran Social Services | 20,000 | - |
| Delaware County Juvenile Court | 15,469 | 4,894 |
| People in Need | 10,000 | 10,000 |
| Central Ohio Area Agency on Aging | 10,000 | 10,000 |
| OhioHealth Foundation - DRIVE Program | 8,697 | 9,917 |
| Delaware General Health District | 9,687 | 7,109 |
| Employment for Seniors | 9,770 | 7,071 |
| Delaware Drug Fee Coalition | 3,196 | 5,758 |
| Common Ground Free Store | 5,000 | - |
| Alpha Group | 2,976 | - |
| Legal Aid Society | 2,844 | - |
| Ohio State University Extension | <u>-</u> | <u>2,992</u> |
| Total | <u>\$692,094</u> | <u>\$548,970</u> |

10. IN-HOME CONTRACT SERVICES

SourcePoint provides information to and/or arranges various levels of in-home and other assistance for eligible seniors. To provide the in-home assistance, SourcePoint contracts on a purchase of services basis with various organizations, businesses and individuals. These contractors provide the services that have been approved by SourcePoint and bill SourcePoint at the agreed upon rate per unit of services delivered.

| SourcePoint had the following Contract Services: | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|
| Abbot Supply | \$68,670 | \$56,673 |
| ActiveStyle Inc. | - | 4,693 |
| Adena | 4,140 | 11,070 |
| Advanced Senior Group | 9,088 | - |

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2016 and 2015

10. IN-HOME CONTRACT SERVICES – (Continued)

| | | |
|--|---------------------------|---------------------------|
| Alpha Group | 97,384 | 8,188 |
| Angel Care | 9,951 | 5,254 |
| Assisted Care by Blackstone | 25,085 | 8,237 |
| Benedetti Services | 7,844 | 3,894 |
| Canini's Caring Seniors | - | 10,807 |
| Central Ohio Mental Health | 2,849 | 4,453 |
| Central Ohio Senior Care (Home Instead) | 92,001 | 85,172 |
| Community Action Organization | 3,750 | - |
| Connect America | 19,609 | - |
| ComForCare Senior Services / H.M. Miller & Associates | - | 7,849 |
| Critical Signal Technologies | 49,575 | 50,919 |
| Delaware Area Transit Authority | 148,476 | 118,252 |
| Delaware Creative Housing, Inc | - | 33,715 |
| Delaware Court Healthcare Center (Levering Management) | - | 8,607 |
| Duraline Medical Products, Incorporated | 184,520 | 140,035 |
| Farmers Market Vendors | 52,138 | 53,774 |
| First Light /KLP Enterprise Services | 23,071 | 43,321 |
| First Response Monitoring of Ohio Incorporated | - | 14,238 |
| Giving Peace of Mind LLC / Home Helpers | 70,413 | 42,238 |
| Guardian Medical Monitoring Incorporated | 24,930 | 29,295 |
| Healthcom, Inc. | 81,458 | 62,100 |
| Interim Healthcare of Ohio Inc | 354,573 | 291,009 |
| Ivory Home Health Services | 7,318 | 31,520 |
| J & J Mobility LTD | 58,134 | 57,906 |
| Kathy Kotowski | 18,340 | - |
| Marimart Health Care, LLC | 1,644 | 6,882 |
| Mary Jane Peterson | 3,700 | - |
| National Church Residences | 103,437 | 147,103 |
| OhioHealth HomeCare | - | 25,209 |
| Premier Choice Health Services | - | 16,946 |
| Prime Home Care, LLC | - | 5,071 |
| RRAD Enterprise Ltd. / Right at Home | - | 99,781 |
| Rural Metro of Northern Ohio Incorporated | 7,960 | 10,188 |
| Silver Crown Services, Inc | 318,652 | 180,937 |
| Snowrider Inc. / Right at Home | 141,584 | 57,630 |
| United Patient Care | 19,213 | 10,384 |
| Valued Relationships Incorporated | 28,724 | 30,405 |
| Varmet Guard | 6,013 | - |
| Volunteer Drivers | 78,378 | 75,001 |
| Willow Brook Christian Village | 57,170 | 9,180 |
| Wise Medical Staffing | 76,701 | 14,205 |
| Other (Home Health, Home Repair, Misc) | <u>12,073</u> | <u>42,689</u> |
| Total | <u>\$2,268,566</u> | <u>\$1,914,830</u> |

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2016 and 2015

11. COMMUNITY NUTRITION PROGRAM

SourcePoint operates nutritional services as part of the In-Home Care Services Program. These services provide home delivered meals to Delaware County residents 55+ years, and at several dining centers throughout the county for those able to attend. In addition it provides home delivered meals to adults with disabilities who are under the age 55, as well as administers a Farmers Market Voucher Program and a Commodity Supplement Food Program, which offers free food to low- income older adults.

SourcePoint receives federal and state funds for the program through the Central Ohio Area Agency on Aging (COAAA) in the form of Title IIIC, USDA and State Block Grants. It receives Medicaid funds thru both PASSPORT and MyCare Ohio, as well as United Way of Delaware County funds. Additionally, SourcePoint receives funds from the Mid- Ohio Food Bank to support the administration of the commodity program.

12. MANAGEMENT COMPENSATION

SourcePoint employs the Executive Director under an employment agreement, the agreement provides for a base salary, life insurance, health insurance, retirement, professional development benefits and annual increases. The current employment agreement expires December 31, 2018.

13. RETIREMENT PLAN

SourcePoint has a defined contribution pension plan (Section 403(b) plan) for the benefit of its employees. All employees who meet the age, length of service and hours worked requirements are eligible to participate. Under the program, an employee may elect to contribute up to the extent allowable by law.

In addition, SourcePoint contributes 4% of each eligible employee's annual wages and matches employee contributions to the plan up to 4% of each eligible employee's wages. SourcePoint can vary these percentages from year to year at its discretion.

In addition, SourcePoint has a Deferred Compensation Plan under (Section 457(b) plan) for the benefit of selected employees. At the current time the Executive Director and the Directors are eligible to participate. Under this program, the selected employee(s) may elect to contribute up to the extent allowable by law. In addition, SourcePoint may contribute based on Board of Director's approval.

Total pension expense for both plans was \$193,109 for 2016 and \$171,484 for 2015.

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2016 and 2015

14. VOLUNTEER HOURS

As described in the summary of significant accounting policies, SourcePoint receives a significant level of volunteer hours, the value of which appropriately was not recognized as revenue in accordance with accounting principles generally accepted. Management utilizes a nationally recognized resource that provides annual values for a donated hour of service, a summary follows;

| | <u>Volunteer hours</u> | <u>Value of hours volunteered</u> |
|------|------------------------|-----------------------------------|
| 2016 | 59,847 | \$1,320,225 |
| 2015 | 59,117 | \$1,304,121 |

15. FEDERAL TRANSPORTATION ADMINISTRATION - FUNDING AWARD

On April 3, 2015 the Mid-Ohio Regional Planning Commission awarded SourcePoint an award of \$54,473 designated to purchase a light transit vehicle, to use in transporting seniors. MORPC will remit 80% or \$43,578 and SourcePoint is responsible for matching 20% or \$10,895.

In May 2015, SourcePoint received \$16,000 in from the Delaware Community Foundation, to use as the source of matching funds and start-up costs for operating the vehicle.

As of December 31, 2016, SourcePoint has not received the award to purchase the vehicle.

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

SourcePoint
Delaware County, Ohio
800 Cheshire Road
Delaware, Ohio 43015

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of SourcePoint, which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2017.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered SourcePoint's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of SourcePoint's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of SourcePoint's financial statements. *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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether SourcePoint's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of SourcePoint's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering SourcePoint's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris and Associates, Inc.
June 23, 2017

**SOURCEPOINT
DELAWARE COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2016**

The prior report, for the year ending December 31, 2015, reported no material citations or recommendations.

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Dave Yost • Auditor of State

SOURCEPOINT

DELAWARE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 19, 2017**