



OHIO AUDITOR OF STATE  
**KEITH FABER**





**SOURCEPOINT  
DELAWARE COUNTY  
DECEMBER 31, 2020 AND 2019**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Statements of Financial Position- Fiscal year ending December 31, 2020 and 2019 .....	3
Statements of Activities and Changes in Net Assets- Fiscal year ending December 31, 2020.....	4
Statements of Activities and Changes in Net Assets- Fiscal year ending December 31, 2019.....	5
Statement of Functional Expenses-Fiscal year ending December 31, 2020 and 2019 .....	6
Statements of Cash Flows- Fiscal year ending December 31, 2020 and 2019 .....	7
Notes to the Basic Financial Statements- Fiscal year ending December 31, 2020 and 2019 .....	8
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	19

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

SourcePoint  
Delaware County  
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, (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2020, the related statement of activities and changes in net assets, statement of functional expenses and statement of cash flows for the year 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 such 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, as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of SourcePoint. We did not modify our opinion regarding this matter.

**Other Matter**

The financial statements of SourcePoint, Delaware County, Ohio as of and for the year ended December 31, 2019, were audited by predecessor auditors whose report dated July 28, 2020, expressed an unmodified opinion on those statements and noted SourcePoint adopted Financial Accounting Standards Board's Accounting Standards Update 2016-14 (Topic 958), *Presentation of Financial Statements for Not-For-Profits Entities* and the financial impact of COVID-19 emergency measures on subsequent periods.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2021, on our consideration of the 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. While we did not opine on the internal control over financial reporting or on compliance, 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 the SourcePoint's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 18, 2021

**SourcePoint**  
**Statements of Financial Position**  
**December 31, 2020 and 2019**

<b>Assets</b>		
	<u>2020</u>	<u>2019</u>
<b>Current Assets</b>		
Cash	\$ 3,317,442	\$ 1,733,870
Investments	8,227,901	7,760,927
Accounts Receivable	227,420	153,799
Inventory	100,090	62,079
Prepaid Expense	161,242	59,456
<b>Total Current Assets</b>	<b>12,034,095</b>	<b>9,770,131</b>
<b>Property and Equipment</b>		
Furniture & Equipment	1,436,154	1,319,689
Leasehold Improvements	1,627,646	1,579,588
Vehicles	217,296	215,304
Accumulated Depreciation	(1,863,010)	(1,641,072)
<b>Property &amp; Equip. net of Depreciation</b>	<b>1,418,086</b>	<b>1,473,509</b>
<b>Other Assets</b>		
Other Assets	4,597	4,597
Beneficial Interest in Assets	41,979	38,718
<b>Total Other Assets</b>	<b>46,576</b>	<b>43,315</b>
<b>Total Assets</b>	<b>\$ 13,498,757</b>	<b>\$ 11,286,955</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	305,900	409,573
Accrued Payroll and related Liabilities	213,485	325,845
Grants Payable	76,470	69,867
Deferred revenue	2,702	34,049
<b>Total Current Liabilities</b>	<b>598,557</b>	<b>839,334</b>
<b>Net Assets</b>		
Without Donor Restrictions	12,839,283	10,415,693
With Donor Restrictions	60,917	31,928
<b>Total Net Assets</b>	<b>12,900,200</b>	<b>10,447,621</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 13,498,757</b>	<b>\$ 11,286,955</b>

**SourcePoint**  
**Statements of Activities and Changes in Net Assets**  
**For the year Ended December 31, 2020**

	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	2020 <u>Total</u>
<b>Operating Revenues:</b>			
<b>Revenue and Support:</b>			
Property Tax Levy	\$8,531,935		\$ 8,531,935
Intergovernmental	955,102		955,102
Grants	1,888,409		1,888,409
Service Fees	632,731		632,731
Contributions	324,809	65,654	390,463
Investment & Interest Income, net of fees	126,343		126,343
Gain / Loss on Marketable Securities	346,883		346,883
Other	200,064		200,064
Net Assets Released from Restrictions	36,665	(36,665)	0
<b>Total Revenue and Support</b>	<b>13,042,941</b>	<b>28,989</b>	<b>13,071,930</b>
<b>Operating Expenses:</b>			
<b>Expenses:</b>			
Program Expenses:			
In-Home Care Services	4,667,572		4,667,572
Community Programs	2,418,713		2,418,713
Nutrition	1,938,682		1,938,682
Communications and Outreach	504,151		504,151
<b>Total Program Expenses</b>	<b>9,529,118</b>	<b>0</b>	<b>9,529,118</b>
Management and General	948,638		948,638
Development and Fundraising	141,595		141,595
<b>Total Operating Expenses</b>	<b>10,619,351</b>	<b>0</b>	<b>10,619,351</b>
<b>Increase (Decrease) in Net Assets from Operations</b>	<b>2,423,590</b>	<b>28,989</b>	<b>2,452,579</b>
<b>Non-Operating Item:</b>			
	<b>0</b>	<b>0</b>	<b>0</b>
<b>Increase in Net Assets</b>	<b>2,423,590</b>	<b>28,989</b>	<b>2,452,579</b>
<b>Net Assets - Beginning of Year</b>	<b>10,415,693</b>	<b>31,928</b>	<b>10,447,621</b>
<b>Net Assets - End of Year</b>	<b>\$12,839,283</b>	<b>\$60,917</b>	<b>\$12,900,200</b>



**SourcePoint**  
**Statements of Activities and Changes in Net Assets**  
**For the year Ended December 31, 2019**

	Without donor restrictions	With donor restrictions	2019 Total
<b>Operating Revenues:</b>			
<b>Revenue and Support:</b>			
Property Tax Levy	\$8,280,465	\$	8,280,465
Intergovernmental	942,600		942,600
Grants	541,480		541,480
Service Fees	967,452		967,452
Contributions	375,973	14,699	390,672
Investment & Interest Income, net of fees	200,571		200,571
Gain / Loss on Marketable Securities	453,984		453,984
Other	97,818		97,818
Net Assets Released from Restrictions	781,357	(781,357)	0
<b>Total Revenue and Support</b>	<b>12,641,700</b>	<b>(766,658)</b>	<b>11,875,042</b>
<b>Operating Expenses:</b>			
<b>Expenses:</b>			
Program Expenses:			
In-Home Care Services	5,116,560		5,116,560
Community Programs	2,532,111		2,532,111
Nutrition & Event Services	1,869,433		1,869,433
Communications and Outreach	472,559		472,559
<b>Total Program Expenses</b>	<b>9,990,663</b>	<b>0</b>	<b>9,990,663</b>
Management and General	1,000,386		1,000,386
Development and Fundraising	164,800		164,800
<b>Total Operating Expenses</b>	<b>11,155,849</b>	<b>0</b>	<b>11,155,849</b>
<b>Increase (Decrease) in Net Assets from Operations</b>	<b>1,485,851</b>	<b>(766,658)</b>	<b>719,193</b>
<b>Non-Operating Item:</b>			
	<b>0</b>	<b>0</b>	<b>0</b>
<b>Increase in Net Assets</b>	<b>1,485,851</b>	<b>(766,658)</b>	<b>719,193</b>
<b>Net Assets - Beginning of Year</b>	<b>8,929,842</b>	<b>798,586</b>	<b>9,728,428</b>
<b>Net Assets - End of Year</b>	<b>\$10,415,693</b>	<b>\$31,928</b>	<b>\$10,447,621</b>

**SourcePoint**  
**Statement of Functional Expenses**  
**For the Years Ended December 31, 2020 and 2019**

**2020**

	<b>In-Home Care</b>	<b>Community Programs</b>	<b>Nutrition &amp; Event Services</b>	<b>Communications and Outreach</b>	<b>Development</b>	<b>Management and General</b>	<b>Total Expenses</b>
Salaries and benefits	\$1,752,381	\$1,329,137	\$901,168	\$323,631	\$101,359	\$796,189	\$5,203,864
Client and Member Services	2,575,674	174,033	774,910	-	-	-	3,524,618
Grants	-	555,033	-	-	-	-	555,033
Occupancy	157,560	134,171	126,436	9,537	1,239	23,982	452,925
Operating service fees	47,231	77,311	50,319	23,154	5,593	45,683	249,290
Depreciation and amortization	71,214	89,947	35,563	6,380	2,222	16,613	221,938
Advertising, printing and postage	15,100	8,111	6,664	113,499	7,881	12,094	163,348
General supplies	6,812	23,581	29,413	7,038	15,397	7,572	89,813
Professional fees	6,684	9,340	134	9,951	320	25,662	52,090
Travel and training	7,803	4,138	6,691	1,332	1,114	13,037	34,115
Telephone and internet	25,377	11,119	6,442	2,291	877	5,279	51,384
Other	1,736	2,792	942	7,338	5,593	2,527	20,933
<b>Total Expenses</b>	<b>\$4,667,572</b>	<b>\$2,418,713</b>	<b>\$1,938,682</b>	<b>\$504,151</b>	<b>\$141,595</b>	<b>\$948,638</b>	<b>\$10,619,351</b>

**2019**

	<b>In-Home Care</b>	<b>Community Programs</b>	<b>Nutrition &amp; Event Services</b>	<b>Communications and Outreach</b>	<b>Development</b>	<b>Management and General</b>	<b>Total Expenses</b>
Salaries and benefits	\$1,770,391	\$1,249,124	\$820,342	\$319,370	\$104,226	\$842,788	\$5,106,241
Client and Member Services	2,987,451	295,832	778,270	-	-	-	4,061,553
Grants	-	602,819	-	-	-	-	602,819
Occupancy	146,744	139,444	125,152	11,769	1,123	25,260	449,493
Operating service fees	67,597	91,260	58,355	24,308	4,210	39,700	285,430
Depreciation and amortization	54,491	81,548	31,785	5,695	2,894	14,769	191,183
Advertising, printing and postage	13,367	9,076	6,096	77,698	6,255	14,573	127,066
General supplies	7,850	34,299	25,058	10,568	30,641	12,094	120,509
Professional fees	8,615	5,653	1,469	9,205	3,132	25,239	53,311
Travel and training	24,358	10,962	14,234	1,835	1,026	16,230	68,645
Telephone and internet	23,897	9,787	5,500	2,060	798	4,509	46,551
Other	11,799	2,307	3,172	10,051	10,495	5,224	43,048
<b>Total Expenses</b>	<b>\$5,116,560</b>	<b>\$2,532,111</b>	<b>\$1,869,433</b>	<b>\$472,559</b>	<b>\$164,800</b>	<b>\$1,000,386</b>	<b>\$11,155,849</b>

**SourcePoint**  
**Statements of Cash Flows**  
For the years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash Flows from Operating Activities:</b>		
Change in Net Assets	\$ 2,452,579	\$ 719,193
<b>Adjustments to Reconcile to Net Cash Provided by Operating Activities:</b>		
Depreciation & Amortization	221,938	191,183
Loss on Disposal of Property and Equipment	0	0
Decrease (increase) in assets:		
Accounts Receivable	(73,620)	(30,204)
Inventory	(38,011)	(211)
Prepaid Expenses	(101,786)	12,815
Other Assets	(3,262)	(4,010)
Increase (decrease) in liabilities:		
Accounts Payable and Accrued Expense	(216,033)	143,751
Grants Payable	6,603	56,435
Deferred Revenue	<u>(31,347)</u>	<u>(9,821)</u>
<b>Net Cash Provided from Operating Activities</b>	2,217,061	1,079,131
<b>Cash Flows from Investing Activities:</b>		
Purchase of Capital Assets	(166,515)	(480,115)
Purchase of Investments	(1,600,000)	(605,000)
Proceeds from Maturing Investments	1,600,000	400,000
Interest Earnings on Investments	(123,024)	(168,521)
(Gain)Loss on Marketable Securities	<u>(343,950)</u>	<u>(448,392)</u>
<b>Net Cash Provided from (used by) Investing Activities</b>	<u>(633,489)</u>	<u>(1,302,028)</u>
<b>Net Change in Cash and Cash Equivalents</b>	1,583,572	(222,897)
<b>Cash and Cash Equivalents - Beginning of the Year</b>	<u>1,733,870</u>	<u>1,956,767</u>
<b>Cash and Cash Equivalents - End of the Year</b>	<u>\$ 3,317,442</u>	<u>\$ 1,733,870</u>

**SourcePoint  
Delaware County  
Notes to the Financial Statements  
December 31, 2020 and 2019**

**Note 1 – Description of the Organization**

SourcePoint is the most comprehensive aging services provider in Delaware County, Ohio. SourcePoint is a nonprofit 501(c)(3) organization that is partially funded by a countywide property tax levy, as well as private and corporate donations and grants.

SourcePoint provides in-home services, including Meals on Wheels, emergency response systems, personal care, medical transportation, and more, which help county residents ages 55 and older live safely and independently at home. The organization also provides community programs for older adults and family caregivers, both on-site at its enrichment center and off-site at locations throughout the county

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation** – The financial statements of SourcePoint have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires SourcePoint to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of SourcePoint management and board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by action of SourcePoint or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

**Measure of Operations** – The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to SourcePoint’s ongoing services to those ages 55 and older and interest and dividends earned on investments. Non-operating activities are limited to resources that generate returns from investments and other activities considered to be of a more unusual or nonrecurring nature.

**Cash and Cash Equivalents** – SourcePoint’s cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of

## **Note 2 – Summary of Significant Accounting Policies (continued)**

three months or less from the date of purchase, except for those amounts held in the investment portfolio, which are invested for long-term purposes.

**Concentration of Credit Risk** – Financial instruments that potentially subject SourcePoint to concentrations of credit risk consist principally of cash and cash equivalents and investments. SourcePoint maintains its cash in checking accounts with a local financial institution. The checking account is insured by the Federal Deposit of Insurance Corporation up to \$250,000, and in addition, has been collateralized up to \$5,000,000 by the depository bank. The depository bank uses the Ohio Pooled Collateral System (OPCS) to collateralize deposits. All checking accounts were insured on Dec. 31, 2020 and Dec. 31, 2019.

**Investments** – Investments are reported at cost if purchased or at fair value if donated. Thereafter, investments are reported at their fair values in the statement of financial position, and changes in fair value are reported as a gain or loss on marketable securities in the statement of activities.

**Fair Value Measurements** – Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments base on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). SourcePoint groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 – Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in non-active markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

**Property and Equipment** – Property and equipment are recorded at cost on the date of purchase or, for donated assets, at fair value on the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, which generally are from five to seven years. SourcePoint capitalizes assets or betterments acquired for greater than \$1,000 and expenses normal repairs and maintenance as incurred.

**Accrued Payroll and Related Liabilities** – A liability is accrued for paid time due when employees' rights to compensation are earned, vested, and measurable.

## **Note 2 – Summary of Significant Accounting Policies (continued)**

**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** – Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions restricted by the donor are reported as an increase in net assets without donor restrictions if the restrictions expire in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires—that is, when a stipulated time restriction ends, or purpose restriction is accomplished—net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. 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 time in the organization’s program services.

**In-Kind Contributions** – SourcePoint received donated supplies of \$14,791 for the year ending Dec. 31, 2020. Such amounts, which are based upon information provided by third parties, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions and operating expenses on the accompanying statements of activities and statements of functional expense.

Volunteers have made significant contributions of their time in furtherance of SourcePoint’s mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

The value of hours was \$947,730 for 2020 and \$1,529,386 for 2019. These values are calculated using hourly rates provided by a nationally recognized independent source.

**Functional Expenses** – The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services, fundraising, and management and general. Management determines such allocations on an equitable basis.

The expenses allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Occupancy	Square Footage
Maintenance and Repair	Square Footage
Information Technology	Time and Effort
Customer Service	Time and Effort

**Use of Estimates** – The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

## **Note 2 – Summary of Significant Accounting Policies (continued)**

**Income Taxes** – SourcePoint is a voluntary health and welfare organization exempt from federal income taxes under Internal Revenue Code section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the code. SourcePoint has processes presently in place to ensure the maintenance of its tax-exempt status; identify and report unrelated income; determine its filing and tax obligations; and identify and evaluate other matters that may be considered tax positions. SourcePoint has determined there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

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).

**Reclassifications** – Certain prior year amounts have been reclassified to conform to the current year presentation.

## **Note 3 – Availability and Liquidity**

The following represents SourcePoint’s financial assets at Dec. 31, 2020 and 2019:

Financial assets at year end:	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	3,317,442	1,733,870
Investments	<u>8,227,901</u>	<u>7,760,927</u>
Total financial assets	11,545,343	9,494,797
Less amounts not available to be used within one year:		
Net assets with donor restrictions	60,917	31,928
Less net assets with purpose restrictions to be met in less than a year	(41,000)	(12,125)
Board-designated for capital improvements	<u>970,787</u>	<u>970,787</u>
Total not available	<u>990,704</u>	<u>990,590</u>
Financial assets available to meet general expenditures over the next 12 months:	<u>\$10,554,639</u>	<u>\$8,504,207</u>

As part of SourcePoint’s liquidity management, its goal generally is to maintain financial assets to meet 290 days of operating expenses. This goal was established in relation to the funding cycle of the senior services levy, which provides 80 percent of annual revenues. As part of the liquidity plan, excess public funds are invested in fixed-income vehicles with scattered maturity dates, so that immediate cash needs can be funded by utilizing maturing securities.

#### **Note 4 – Investments**

The following is a summary of investments as of Dec. 31, 2020 and 2019. Investments are reported at fair market value.

<u>Investments</u>	<u>2020</u>	<u>2019</u>
Bonds	6,593,362	4,760,496
Equities	1,425,394	1,296,163
Cash/Money Market	<u>209,145</u>	<u>1,704,268</u>
Total Investments	\$8,227,901	\$7,760,927

As of December 31, 2020 and 2019, all investments were considered level 1 investments.

#### **Note 5 – Property and Equipment**

The following schedule summarizes the changes in property and equipment for the year ended Dec. 31, 2020. Depreciation expense totaled \$221,938 for the year ending December 2020.

	<u>Jan. 1</u> <u>2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Dec. 31</u> <u>2020</u>
Leasehold Improvements	1,579,588	48,058	-	1,627,646
Equipment, Furniture, and Fixtures	1,319,688	116,465	-	1,436,154
Vehicles	215,305	1,991	-	217,296
<u>Less Accumulated Depreciation</u>	<u>(1,641,072)</u>	<u>(221,938)</u>	<u>-</u>	<u>(1,863,010)</u>
Totals	<u>1,473,509</u>	<u>(55,424)</u>	<u>-</u>	<u>1,418,086</u>

The following schedule summarizes the changes in property and equipment for the year ended Dec. 31, 2019. Depreciation expense totaled \$191,183 for the year ending December 2019.

	<u>Jan. 1</u> <u>2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Dec. 31</u> <u>2019</u>
Leasehold Improvements	1,334,607	244,982	-	1,579,588
Equipment, Furniture, and Fixtures	1,130,498	189,190	-	1,319,688
Vehicles	169,361	45,944	-	215,305
<u>Less Accumulated Depreciation</u>	<u>(1,449,889)</u>	<u>(191,183)</u>	<u>-</u>	<u>(1,641,072)</u>
Totals	<u>1,184,577</u>	<u>288,933</u>	<u>-</u>	<u>1,473,509</u>

#### **Note 6 – Lease Commitments**

##### **800 Cheshire Road, Delaware**

In October 2007, SourcePoint entered into a lease agreement with the Delaware County



**Note 6 – Lease Commitments - continued**

Commissioners to lease real property consisting of 12.74 acres, more or less, known as 800 Cheshire Road, Delaware, Ohio, and 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 Dec. 31, 2025.

**1070 Polaris Parkway, Columbus**

In December 2017, SourcePoint entered into a lease agreement with BT/GSR Polaris Properties, LLC, to lease real property consisting of 5,264 square feet located at 1070 Polaris Parkway, Columbus. The property is located on the second floor and identified as suite 200. The term of the lease is five years, which commenced in April 2018 and includes both base rent and additional rent. Additional rent is defined as a proportionate share of operating, maintenance, taxes, and other expenses. Future combined minimum lease payments are as follows:

2021 - \$114,634	2023 - \$29,042
2022 - \$115,947	

**Office Equipment**

Several office machines, including copiers, printers, and a postage machine are under lease arrangement. The leases will be available to renew or terminate in 2023 and 2025. Future combined minimum lease payments are as follows:

2021 - \$15,083	2023 - \$3,864	2025 - \$945
2022 - \$15,083	2024 - \$1,620	

**Note 7 – Beneficial Interest in Assets Held by Others**

In 1997, SourcePoint deposited \$10,000 with the Delaware County Community Foundation (the foundation), an Ohio nonprofit 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.

## **Note 7 – Beneficial Interest in Assets Held by Others - continued**

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 on Dec. 31, 2020 was \$41,979 and \$38,718 on December 31, 2019, which included SourcePoint's original contribution, contributions made to the fund by outside parties, and earnings and cumulative changes in market value.

## **Note 8 – Net Assets**

**Board Designated for Capital Improvements** – In 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.

**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. These funds are treated as restricted contributions, until they are awarded to recipients. Awards began in the fall of 2016.

**Net assets with donor restrictions** were as follows for the years ending Dec. 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Scholarship Fund	19,917	19,803
Other	<u>41,000</u>	<u>12,125</u>
Total	\$60,917	\$31,928

**Net assets without donor restrictions** were as follows for the years ending Dec. 31, 2019 and 2018:

	<u>2020</u>	<u>2019</u>
Undesignated	11,868,496	9,444,906
Board Designated for Capital Improvement	<u>970,787</u>	<u>970,787</u>
Total	\$12,839,283	\$10,415,693

**Net assets released** from net assets with donor restrictions are as follows:

	<u>2020</u>	<u>2019</u>
Scholarship Fund	540	2,086
Other	<u>36,125</u>	<u>779,271</u>
Total	\$36,665	\$781,357

## **Note 9 – Employee Benefit Plan**

SourcePoint has a tax-deferred 403(b) plan covering all eligible employees, who meet length of service and hours worked requirements. The assets are held for each employee in an individual account maintained by an investment firm. Under the program, an employee may elect to

## **Note 9 – Employee Benefit Plan - continued**

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. 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 \$287,911 for 2020 and \$259,066 for 2019.

## **Note 10 – Management Compensation**

The SourcePoint Board of Directors employs its executive director under an employment agreement, which provides for a base salary, life insurance, health insurance, retirement, professional development benefits, and annual increases. The current employment agreement expires June 30, 2024.

## **Note 11 – Grants**

SourcePoint enters into grant agreements with various organizations to assist these organizations in providing services to the senior population of Delaware County. The following represents the amount of services provided by those organizations during 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Delaware Area Transit Agency	167,640	201,168
HelpLine of Delaware & Morrow Counties, Inc.	87,500	81,630
Delaware Speech & Hearing	86,707	83,419
Alzheimer's Association	50,562	51,000
Catholic Social Services	34,984	35,000
Grace Clinic	25,000	29,544
National Alliance on Mental Health	19,874	-
OhioHealth Foundation—D.R.I.V.E. Program	17,996	25,804
People in Need	14,206	26,029
VOICEcorps Reading Service	10,000	-
Central Ohio Area Agency on Aging	10,000	10,000
Common Ground Free Store	10,000	10,000
Cancer Support Community	6,800	-
Lutheran Social Services	6,172	14,652
Family Promises of Delaware County	3,500	2,500
OWU Lifelong Learning	1,782	8,500
Humane Society of Delaware County	1,610	-
Zion African American Methodist Episcopal Church	702	-
Delaware County Juvenile Court	-	14,061
The Legal Aid Society of Columbus	-	7,000
The Alpha Group	-	12,516
Total	<u>\$555,035</u>	<u>\$612,823</u>

## **Note 11 – Grants - continued**

The following organizations have been awarded grants by SourcePoint for the term beginning in 2021:

Delaware Area Transit Agency	\$201,168
HelpLine of Delaware and Morrow Counties, Inc.	87,500
Delaware Speech & Hearing	86,309
Alzheimer's Association	47,000
Grace Clinic	31,000
Catholic Social Services	30,000
People in Need	30,000
The Ohio Health Foundation	26,033
National Alliance on Mental Health	19,875
Lutheran Social Services	12,500
Central Ohio Area Agency on Aging	10,000
Common Ground Free Store	10,000
O.W.U. Lifelong Learning Program	10,000
Humane Society of Delaware County	10,000
VOICEcorps Reading Service	7,500
Main Street Delaware	7,500
United Church Homes	7,500
Cancer Support Community	6,800
Zion African American Methodist Episcopal Church	2,500
Central Ohio Symphony	<u>2,485</u>
Total	<u>\$645,670</u>

## **Note 12 – Contract Service Providers**

To provide a variety of in-home care services and community programs to local seniors, SourcePoint contracts with several organizations, businesses, and individuals. These contractors provide pre-approved services and programs, and bill SourcePoint accordingly. In 2020 and 2019, SourcePoint's contracted providers included:

	<u>2020</u>	<u>2019</u>
Abbot Supply	49,857	56,256
Advanced Home Health	5,203	6,255
Advanced Senior Support	15,280	155,277
Aging in Place	-	16,985
Alpha Group	32,601	63,320
Angel Care	7,446	6,736
Anita Horn	5,580	-
Assisting Hands	54,513	-
Avodcare	140,090	-
Bed Bug Burners	1,816	10,814
Beloved Senior Care	42,322	-
Best Buy Health	20,958	-
Bridges Community Action Partner	5,546	2,090
Caregiver USA	57,649	91,800

**Note 12 – Contract Service Providers - continued**

	<u>2020</u>	<u>2019</u>
Central Ohio Senior Care (Home Instead)	13,217	35,194
Comfort Express	564	8,410
Connect America	82,927	79,994
Critical Signal Technologies	6,656	28,263
Delaware Area Transit Authority	170,653	245,895
Delaware General Health District	-	7,965
Delaware County Juvenile Court	10,344	-
Delaware Court Healthcare Center (Levering Management)	5,885	2,856
Delaware-Morrow Mental Health	80,000	71,239
Duraline Medical Products, Inc.	228,965	240,829
Emergency Plumbing	8,962	5,999
First Light/KLP Enterprise Services	73,403	74,284
Giving Peace of Mind LLC/Home Helpers	77,558	67,496
Guardian Medical Monitoring Incorporated	20,921	18,309
HealthCom, Inc.	-	53,013
Home Health Connection	107,293	68,852
Interim Healthcare of Ohio Inc.	429,389	504,668
J & J Mobility LTD	52,930	58,764
James W. Johnson	9,884	9,169
Jennifer Stachler	-	8,570
Jodi Delgado	4,260	8,910
Katherine Lopez	3,930	14,860
Marion Mulch & More	19,415	15,700
Melissa Neal	-	9,810
Polly Morgan	4,358	24,981
People in Need	18,839	-
Purfoods, LLC	20,926	83,067
Right Size Strategies	7,850	17,800
Silver Crown Services, Inc	242,926	282,270
Snowrider Inc./Right at Home	377,672	375,949
United Patient Care	-	1,376
Valued Relationships Inc.	109,928	80,822
Willow Brook Christian Village	51,175	254,649
Wise Medical Staffing	36,677	51,330
<u>Other (contractors under \$5,000)</u>	<u>33,339</u>	<u>72,462</u>
<b>Total</b>	<b><u>\$2,749,707</u></b>	<b><u>\$3,293,288</u></b>

**Note 13 – Paycheck Protection Program Loan**

On April 24, 2020, SourcePoint received notification from the Small Business Administration (SBA) that our Paycheck Protection Program loan through First Commonwealth Bank had been approved in the amount of \$1,037,500. This loan was recorded on the balance sheet as a long-term liability. On November 20, 2020 SourcePoint received notification from the SBA that the loan had been forgiven. SBA had remitted payment in full to First Commonwealth Bank. Subsequently, the loan proceeds were recognized as grant income on the statement of activities.

**Note 14 – COVID-19**

The full impact of the COVID-19 outbreak that began in early 2020 continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on SourcePoint's financial condition. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, workforce as well as the clients and members we serve. No adjustments have been made to these financial statements as a result of this ongoing uncertainty.

# OHIO AUDITOR OF STATE KEITH FABER



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

SourcePoint  
Delaware County  
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 Comptroller General of the United States' *Government Auditing Standards*, the financial statements of SourcePoint, Delaware County, as of and for the year ended December 31, 2020, and the related notes to the financial statements and have issued our report thereon dated October 18, 2021 wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of SourcePoint. We also noted the financial statements of SourcePoint as of and for the year ended December 31, 2019 were audited by a predecessor auditor.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered SourcePoint's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion 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 financial statements. 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 report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 18, 2021



# OHIO AUDITOR OF STATE KEITH FABER



**SOURCEPOINT**

**DELAWARE COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 11/9/2021**

88 East Broad Street, Columbus, Ohio 43215  
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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)