

SourcePoint
Delaware County, Ohio

AUDIT REPORT

For the Year ended December 31, 2015



Dave Yost • Auditor of State

Board of Directors
SourcePoint
800 Cheshire Road
Delaware, Ohio 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, 2015 through December 31, 2015. 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 cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

August 9, 2016

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SourcePoint
DELAWARE COUNTY
AUDIT REPORT
For the Year Ended December 31, 2015

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Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

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, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise SourcePoint's basic financial statements as listed in the table of contents.

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, 2015 and 2014, 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 Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of federal, state and local funding received on page 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2016 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, 2016

SourcePoint
Statement of Financial Position
December 31, 2015 and 2014

Assets			
	<u>2015</u>		<u>2014</u>
Current Assets			
Cash	\$ 2,245,770	\$	2,251,862
Investments	5,242,213		4,248,356
Accounts Receivable	115,699		154,984
Inventory	56,187		40,972
Prepaid Expense	66,905		46,847
Total Current Assets	7,726,774		6,743,021
Property and Equipment			
Furniture & Equipment	808,368		744,330
Leasehold Improvements	1,225,859		745,365
Vehicles	94,911		94,911
Accumulated Depreciation	(990,969)		(893,152)
Property & Equip. net of Depreciation	1,138,169		691,454
Other Assets			
Other Assets	2,500		2,500
Beneficial Interest in Assets	29,562		30,229
Total Other Assets	32,062		32,729
Total Assets	\$ 8,897,005	\$	7,467,204
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ 200,994	\$	201,883
Accrued Payroll and related Liabilities	209,701		198,254
Grants Payable	58,879		56,101
Deferred revenue	2,195		5,715
Total Current Liabilities	471,769		461,953
Net Assets			
Temporarily Restricted	718,120		701,050
Unrestricted:			
Designated by the Board for Capital improvements	886,352		1,307,203
Undesignated	6,820,764		4,996,998
Total Net Assets	8,425,236		7,005,251
Total Liabilities and Net Assets	\$ 8,897,005	\$	7,467,204

SourcePoint
Statements of Activities and Changes in Net Assets
For the years ended December 31, 2015 and 2014

	<u>Unrestricted</u>	Temporary <u>Restricted</u>	2015 <u>Total</u>	2014 <u>Total</u>
Operating Revenues:				
Revenue and Support:				
Property Tax Levy	\$ 6,696,518	\$ -	\$ 6,696,518	\$ 6,460,656
Intergovernmental	878,188	-	878,188	872,159
Grants	529,930	-	529,930	554,573
Service Fees	592,564	-	592,564	568,666
Donations	266,947	\$20,835	287,781	217,115
Investment Income, net of fees	62,403	10,340	72,743	36,866
Gain / Loss on Marketable Securities	(62,205)	(13,605)	(75,810)	(17,604)
Other	177,481	-	177,481	138,316
Net Assets Released from Restrictions	500	(500)	-	-
Total Revenue and Support	<u>9,142,326</u>	<u>17,070</u>	<u>9,159,395</u>	<u>8,830,747</u>
Operating Expenses:				
Expenses:				
Program Expenses:				
Community Support Program	4,852,453	-	4,852,453	4,362,849
Enrichment Center	878,431	-	878,431	805,064
Community Grants	548,970	-	548,970	499,040
Outreach and Communications	546,418	-	546,418	486,391
Hospitality and Event Services	74,734	-	74,734	86,335
Total Program Expenses	<u>6,901,006</u>	-	<u>6,901,006</u>	<u>6,239,679</u>
Management and General	707,794	-	707,794	686,551
Development and Fundraising	130,610	-	130,610	113,417
Total Operating Expenses	<u>7,739,410</u>	<u>-</u>	<u>7,739,410</u>	<u>7,039,647</u>
Increase (Decrease) in Net Assets from Operations	1,402,916	17,070	1,419,985	1,791,100
Non-Operating Item:				
Merger with SCIDC	-	-	-	701,050
Increase in Net Assets	1,402,916	17,070	1,419,985	2,492,150
Net Assets - Beginning of Year	<u>6,304,201</u>	<u>701,050</u>	<u>7,005,251</u>	<u>4,513,101</u>
Net Assets - End of Year	<u>\$ 7,707,117</u>	<u>\$ 718,120</u>	<u>\$ 8,425,236</u>	<u>\$ 7,005,251</u>

SourcePoint
Statement of Functional Expenses
For the Year Ended December 31, 2015

	Community Support Program	Enrichment Center	Community Grants	Communications, and Outreach	Hospitality and Event Services	Total Program Services	Development	Management and General	2015 Total Expenses	2014 Total Expenses
Salaries	\$1,562,179	\$424,768	-	\$246,426	\$29,375	\$2,262,748	\$61,077	\$448,934	\$2,772,759	\$2,636,010
Payroll Taxes and Fringe Benefits	507,068	92,542	-	89,576	6,340	695,526	27,353	160,733	883,612	835,872
Total Personnel Costs	<u>2,069,247</u>	<u>517,310</u>	<u>-</u>	<u>336,002</u>	<u>35,715</u>	<u>2,958,274</u>	<u>88,430</u>	<u>609,667</u>	<u>3,656,371</u>	<u>3,471,882</u>
Contracted Client Services	1,880,036	34,794	-	-	-	1,914,830	-	-	1,914,830	1,610,690
Grants	-	-	\$548,970	-	-	548,970	-	-	548,970	499,040
Raw Food / Kitchen Supplies	492,082	-	-	-	31,183	523,265	-	-	523,265	501,784
Operating Service Fees	65,351	104,473	-	15,225	3,682	188,731	4,631	22,296	215,658	174,912
Utilities	50,940	86,657	-	2,723	1,020	141,340	676	4,970	146,986	146,970
Depreciation & Amortization	64,104	45,193	-	5,056	962	115,315	2,413	8,898	126,626	133,419
Repairs, Maintenance & Auto	38,060	26,481	-	805	307	65,653	200	1,470	67,323	63,810
General Supplies	57,155	33,142	-	25,695	89	116,081	24,661	6,149	146,891	76,449
Professional	10,276	1,867	-	17,111	645	29,899	235	21,853	51,987	77,552
Printing	8,043	1,102	-	78,074	42	87,261	1,831	979	90,071	59,938
Advertising	3,257	1,781	-	34,572	2	39,612	676	547	40,835	28,301
Travel and Meals	24,552	1,236	-	2,650	7	28,445	3,426	8,276	40,147	34,952
Insurance	28,332	6,683	-	3,572	169	38,756	887	6,521	46,164	45,063
Small Equipment & Rental	15,203	8,540	-	2,303	111	26,157	377	2,771	29,305	31,654
Telephone & Internet	22,586	2,464	-	1,874	93	27,017	217	2,115	29,349	27,984
Postage	9,153	3,247	-	3,347	47	15,794	441	1,799	18,034	17,001
Training	6,758	1,526	-	111	-	8,395	1,285	2,580	12,260	12,981
Dues and Subscriptions	3,570	1,935	-	1,524	-	7,029	224	4,817	12,070	7,331
Sponsorships	-	-	-	15,774	-	15,774	-	-	15,774	6,708
Other	3,748	-	-	-	660	4,408	-	2,086	6,494	11,226
Total Expenses	<u>4,852,453</u>	<u>878,431</u>	<u>548,970</u>	<u>546,418</u>	<u>74,734</u>	<u>6,901,006</u>	<u>130,610</u>	<u>707,794</u>	<u>7,739,410</u>	<u>7,039,647</u>

SourcePoint
Statements of Cash Flows
For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 1,419,985	\$ 1,791,100
Adjustments to Reconcile to Net Cash Provided by Operating Activities:		
Depreciation & Amortization	126,626	133,419
Decrease (increase) in assets:		
Accounts Receivable	39,285	(63,176)
Inventory	(15,215)	(2,514)
Prepaid Expenses	(20,058)	24,146
Other Assets	667	(682)
Increase (decrease) in liabilities:		
Accounts Payable and Accrued Expense	10,560	79,889
Grants Payable	2,778	21,882
Deferred Revenue	<u>(3,520)</u>	<u>1,171</u>
Net Cash Provided from Operating Activities	1,561,108	1,985,235
Cash Flows from Investing Activities:		
Purchase of Capital Assets	(573,341)	(87,164)
Purchase of Investments	(1,357,374)	(2,838,887)
Proceeds from Maturing Investments	357,874	1,831,521
Interest Earnings on Investments	(68,399)	(35,467)
(Gain)Loss on Marketable Securities	<u>74,040</u>	<u>17,604</u>
Net Cash Provided from (used by) Investing Activities	<u>(1,567,200)</u>	<u>(1,112,393)</u>
Net Change in Cash and Cash Equivalents	(6,092)	872,842
Cash and Cash Equivalents - Beginning of the Year	<u>2,251,862</u>	<u>1,379,020</u>
Cash and Cash Equivalents - End of the Year	<u><u>\$ 2,245,770</u></u>	<u><u>\$ 2,251,862</u></u>

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

On October 27, 2014, the Council for Older Adults Board of Directors approved a corporate name change from “Council for Older Adults” to “SourcePoint”, effective December 29, 2014.

SourcePoint is a non-profit corporation whose mission is to help Delaware County set its own course to live well after 55. SourcePoint receives the majority of its revenue from a county-wide 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 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 promote good health and wellness, community engagement, and successful aging. 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, many 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 at December 31, 2015 and 2014 consist of consumer accounts (billings for user charged 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, 2015 and 2014

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, 2015 and 2014

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.

2. CONCENTRATION OF CREDIT RISK

SourcePoint maintains checking, money market and certificates of deposit accounts 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, in addition all funds held in the checking account in excess of \$1.5 million, is insured by the U.S. treasuries, thru a Federated Sweep account. The money market and certificates of deposit are insured by the Federal Deposit of Insurance Corporation up to \$250,000. All checking, money market and certificate of deposit accounts were insured at December 31, 2015 and December 31, 2014.

SourcePoint maintains investment funds with two local financial service corporations. The investment portfolios contain primarily fixed income bonds and certificate of deposits.

3. INVESTMENTS

Investments are reported at fair market value and consist of the following as of December 31, 2015 and December 31, 2014.

<u>Investments</u>	<u>2015</u>	<u>2014</u>
Cash / Money Market	\$ 629,114	\$1,016,756
Certificates of Deposit	623,982	618,869
Bonds	3,379,057	2,353,506
<u>Equities</u>	<u>610,061</u>	<u>259,225</u>
Total Investments	<u>\$5,242,214</u>	<u>\$4,248,356</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 Board earmarks the amount of money to be added to this fund.

Legacy Fund

Effective January 1, 2014, in accordance with the merger agreement between Senior Citizens Incorporated of Delaware County and the Board of Directors of SourcePoint, a restricted fund known as the Legacy Fund would be established.

SourcePoint
 Delaware County
 Notes to the Financial Statements
 December 31, 2015 and 2014

4. NET ASSETS – (Continued)

The net assets of Senior Citizens Inc., would be accounted for in this 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.

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 are scheduled to begin in the fall of 2016.

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

	<u>2015</u>	<u>2014</u>
Board Designated for Capitol Improvement	\$886,352	\$1,307,203
Legacy Fund	695,610	699,374
Scholarship Fund	6,510	1,676
Other Contributions	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.

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2015 and 2014

5. LEASES – (Continued)

Several office machines, including copier/printers and a postage machine are under lease arrangement, the leases will be available to renew or terminate in 2016; future combined minimum lease payments under these leases are as follows:

2016 - \$15,919
2017 - \$14,523

6. PROPERTY AND EQUIPMENT

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	94,911	-	-	94,911
Less Accumulated Depreciation	<u>(893,152)</u>	<u>(126,626)</u>	<u>28,809</u>	<u>(989,969)</u>
Totals	<u>\$691,454</u>	<u>\$446,715</u>	<u>\$ -</u>	<u>\$1,138,169</u>

The following schedule summarizes the changes in property and equipment for the year ended December 31, 2014.

	January 1 <u>2014</u>	<u>Additions</u>	<u>Disposals</u>	December 31 <u>2014</u>
Equipment, Furniture and Fixtures	\$673,296	\$77,822	\$(6,788)	\$744,330
Leasehold Improvements	695,127	50,238	-	745,366
Vehicles	94,911	-	-	94,911
Less Accumulated Depreciation	<u>(736,321)</u>	<u>(163,619)</u>	<u>6,788</u>	<u>(893,152)</u>
Totals	<u>\$727,013</u>	<u>\$(35,559)</u>	<u>\$ -</u>	<u>\$691,454</u>

Additions to capital assets and accumulated depreciation include amounts recorded as a result of the merger with SCIDC in 2014.

7. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

In 1997, SourcePoint deposited \$10,000 with the Delaware County Community Foundation (the Foundation), an Ohio not-for-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. SourcePoint's 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.

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2015 and 2014

7. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS – (Continued)

Statement of Financial Accounting Standards No. 136 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, 2015 was \$29,562, which included SourcePoint's original contribution, contributions made to the fund by outside parties, and earnings and cumulative changes in market value.

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, 2015 and 2014, for services provided through December 31, 2015 and 2014.

	<u>2015</u>	<u>2014</u>
Delaware Area Transit Authority	\$16,764	\$14,764
Help Line of Delaware and Morrow Counties, Inc	9,551	12,347
Delaware Speech and Hearing	7,325	8,026
Alzheimer's Association	7,429	1,164
Grady Memorial Hospital / DRIVE	3,975	2,465
Central Ohio Area Agency on Aging	2,500	2,500
Ohio State University Extension	2,407	-
National Church Residences /Heritage Day	2,330	1,370
Catholic Social Services	2,165	2,703
Delaware County Juvenile Court	1,905	1,464
Employment for Seniors	1,768	2,382
Drug Free Delaware	657	-
Delaware County Health District	103	1,966
Community Action Organization unties	-	<u>4,950</u>
Total	<u>\$58,879</u>	<u>\$56,101</u>

The following organizations have been awarded grants by SourcePoint for the term to being in 2016:

	<u>2016</u>
Delaware Area Transit Agency	\$201,168
National Church Residences Center for Senior Health	123,930
Help Line of Delaware and Morrow Counties, Inc.	93,061
Delaware Speech & Hearing	77,132
Catholic Social Services	59,956
Alzheimer's Association of Central Ohio	54,148
Lutheran Social Services	20,000
Delaware County Juvenile Court	17,240

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2015 and 2014

8. GRANTS PAYABLE AND COMMITMENTS – (Continued)

Delaware General Health District	10,000
Central Ohio Area Agency on Aging	10,000
People in Need	10,000
The Ohio Health Foundation- D.R.I.V.E.	10,000
Employment for Seniors	9,770
The Legal Aid Society of Columbus	6,000
Drug Free Delaware Coalition	5,060
Common Ground Free Store	5,000
The Alpha Group	<u>4,500</u>
Total	<u>\$716,965</u>

9. GRANTS

SourcePoint provided grants to the following organizations during 2015 and 2014. Although the 2015 Grant Awards totaled \$569,420, only \$548,970 was remitted to Grantees due to actual costs being less than projected budgets.

	<u>2015</u>	<u>2014</u>
Delaware Area Transit Agency	\$201,168	\$177,168
Help Line of Delaware & Morrow Counties, Inc	88,629	86,726
Delaware Speech & Hearing	84,669	72,086
Alzheimer's Association	55,078	51,700
Catholic Social Services	41,085	27,966
National Church Residences /Heritage Day	20,600	20,390
People in Need	10,000	10,000
Central Ohio Area Agency on Aging	10,000	10,000
OhioHealth DRIVE Program	9,917	5,783
Delaware General Health District	7,109	9,858
Employment for Seniors	7,071	9,527
Delaware Drug Fee Coalition	5,758	-
Delaware County Juvenile Court	4,894	4,600
Ohio State University Extension	2,992	-
Community Action Organization of Delaware	-	9,000
AARP Tax - Aid	<u>-</u>	<u>4,236</u>
Total	<u>\$548,970</u>	<u>\$499,040</u>

10. 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
Delaware County
Notes to the Financial Statements
December 31, 2015 and 2014

10. CONTRACT SERVICES – (Continued)

SourcePoint had the following Contract Services:	<u>2015</u>	<u>2014</u>
ActiveStyle Inc.	\$4,693	-
Adena	11,070	\$11,820
Alia Healthcare Services (Sabco of Ohio)	-	25,704
Alpha Group	8,188	-
Angel Care	5,254	-
Assisted Care by Blackstone	8,237	22,846
Benedetti Services	3,894	-
Canini's Caring Seniors	10,807	21,621
Central Ohio Mental Health	4,453	5,753
Central Ohio Senior Care (Home Instead)	85,172	99,757
Client Use of Ensure / Abbot Supply	56,673	45,023
ComForCare Senior Services / H.M. Miller & Associates	7,849	4,830
Critical Signal Technologies	50,919	39,433
Delaware Area Transit Authority	44,746	60,014
Delaware Area Transit Authority – Bus Bucks Program	73,506	32,884
Delaware Creative Housing, Inc	33,715	22,450
Delaware Court Healthcare Center (Levering Management)	8,607	-
Delaware Developers LLC (Arnold Joe Deel)	-	8,610
Dhulmar Transportation	-	28
Duraline Medical Products, Incorporated	140,035	120,110
Farmers Market Vendors	53,774	55,694
First Light /KLP Enterprise Services	43,321	19,032
First Response Monitoring of Ohio Incorporated	14,238	23,682
Friendly Care Agency / LBS International Incorporated	-	91,773
Giving Peace of Mind LLC / Home Helpers	42,238	47,078
Guardian Medical Monitoring Incorporated	29,295	35,699
Healthcom, Inc.	62,100	26,480
Heritage Health Care Services Inc.	-	72
Home Reach Home Care	-	9,827
In Home Elder Care	-	1,649
Interim Healthcare of Ohio Inc	291,009	204,895
Ivory Home Health Services	31,520	-
J & J Mobility LTD	57,906	38,281
Lifeline Systems (Philips Lifeline)	2,538	-
Marimart Health Care, LLC	6,882	-
National Church Residences / Heritage Day Health Centers	147,103	136,438
OhioHealth HomeCare	25,209	18,277
Other (Prescription Assistance, Mental Health, Homemaking)	38,042	18,887
Premier Choice Health Services	16,946	-
Prime Farms Organics	75	-
Prime Home Care, LLC	5071	7,899
Pro Health Care Services	285	6,436
RRAD Enterprise Ltd. / Right at Home	99,781	16,905
Rural Metro of Northern Ohio Incorporated	10,188	14,820

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2015 and 2014

10. CONTRACT SERVICES – (Continued)

Senior Independence	-	4,610
Silver Crown Services, Inc	180,937	66,161
Snowrider Inc. / Right at Home	57,630	127,838
United Patient Care	10,384	4,613
Valued Relationships Incorporated	30,405	28,508
Visiting Nurse Association	1,749	-
Volunteer Drivers	75,001	77,116
Willow Brook Christian Village	9,180	5,140
Wise Medical Staffing	<u>14,205</u>	<u>-</u>
Total	<u>\$1,914,830</u>	<u>\$1,610,693</u>

11. COMMUNITY NUTRITION PROGRAM

SourcePoint operates the Nutrition Program as part of the Community Support Program. The program provides meals to Delaware County Residents 60+ years, both in their homes, if needed, and at several congregate meal sites in the county for those able to attend. In addition the Nutrition Program provides home delivered meals to Adults with disabilities who are under the age 60 as well as administering a Senior Farmers Market Voucher Program and a Commodity Supplemental Food Program, which offers free food to low income older adults age 60+ years.

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 as well as Medicaid funds through both PASSPORT and MyCare Ohio, as well as United Way of Delaware County funds. In addition, 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.

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2015 and 2014

13. RETIREMENT PLAN – (Continued)

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 \$171,484 for 2015 and \$140,765 for 2014.

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>
2015	59,117	\$1,304,121
2014	53,946	1,017,958

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, SourcePoint received \$16,000 in from the Delaware Community Foundation, to utilize as the source of matching funds and start up for operating the Light Transit Vehicle.

Source Point
Schedule of Federal, State, and Local Funding Received
For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>Delaware County:</u>		
Delaware County Senior Services Levy	\$6,696,518	\$6,460,656
<u>Central Ohio Area Agency on Aging:</u>		
Title III-C / USDA	279,815	271,076
Title III-E National Family Caregiver Support Program	53,363	53,363
Volunteer Transportation Program	58,706	81,694
Title III-B Service Coordinator	27,026	33,584
Other	2,070	7,832
<u>United Way:</u>		
Delaware County Senior Nutrition - Under 60	102,000	104,125
Hunger Alliance	4,500	-
	<u>\$7,219,498</u>	<u>\$7,012,330</u>

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 statement of financial position as of December 31, 2015 and 2014, 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, 2016.

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.

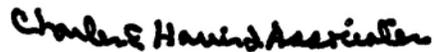
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies 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, 2016

**SOURCEPOINT
DELAWARE COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2015**

The prior report, for the year ending December 31, 2014, 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
AUGUST 23, 2016**