

SourcePoint
Delaware County, Ohio

AUDIT REPORT

For the Year Ended December 31, 2017





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, 2017 through December 31, 2017. 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 12, 2018

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SourcePoint
DELAWARE COUNTY
AUDIT REPORT
For the Year Ended December 31, 2017

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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 financial position as of December 31, 2017 and 2016, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 for the purpose of expressing an opinion on the effectiveness of SourcePoint's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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, 2017 and 2016, and the changes in financial position and 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 22, 2018 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of SourcePoint's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SourcePoint's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
June 22, 2018

SourcePoint
Statements of Financial Position
December 31, 2017 and 2016

Assets		
	<u>2017</u>	<u>2016</u>
Current Assets		
Cash	\$ 2,124,334	\$ 2,859,139
Investments	6,844,103	5,769,841
Accounts Receivable	98,569	96,896
Inventory	57,239	53,304
Prepaid Expense	172,495	77,024
Total Current Assets	9,296,740	8,856,204
Property and Equipment		
Furniture & Equipment	1,033,770	901,290
Leasehold Improvements	1,253,978	1,225,859
Vehicles	123,442	111,962
Accumulated Depreciation	(1,289,563)	(1,137,736)
Property & Equip. net of Depreciation	1,121,627	1,101,375
Other Assets		
Other Assets	2,500	2,500
Beneficial Interest in Assets	35,465	31,193
Total Other Assets	37,965	33,693
Total Assets	\$ 10,456,332	\$ 9,991,272
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	303,604	304,646
Accrued Payroll and related Liabilities	258,671	219,398
Grants Payable	56,832	90,344
Deferred revenue	32,395	54,714
Total Current Liabilities	651,502	669,102
Net Assets		
Temporarily Restricted	798,000	720,207
Unrestricted:		
Designated by the Board for Capital improvements	1,145,649	1,061,352
Undesignated	7,861,181	7,540,611
Total Net Assets	9,804,830	9,322,170
Total Liabilities and Net Assets	\$ 10,456,332	\$ 9,991,272

See Accompanying Notes to Financial Statements

SourcePoint
Statements of Activities and Changes in Net Assets
For the years ended December 31, 2017 and 2016

	<u>Unrestricted</u>	<u>Temporary Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
Operating Revenues:				
Revenue and Support:				
Property Tax Levy	\$7,074,556	-	\$7,074,556	\$7,049,374
Intergovernmental	903,548	-	\$903,548	890,420
Grants	550,987	-	550,987	577,215
Service Fees	957,378	-	957,378	630,618
Donations	248,811	\$10,715	259,526	269,649
Investment & Interest Income, net of fees	140,402	16,902	157,304	100,109
Gain / Loss on Marketable Securities	7,202	73,720	80,922	(33,484)
Other	129,877	-	129,877	124,418
Net Assets Released from Restrictions	23,544	(23,544)	-	-
Total Revenue and Support	10,036,305	77,793	10,114,098	9,608,319
Operating Expenses:				
Expenses:				
Program Expenses:				
In-Home Care Services	4,199,005	-	4,199,005	3,800,012
Community Education	2,386,191	-	2,386,191	2,057,757
Nutrition	1,541,888	-	1,541,888	1,366,345
Communications and Outreach	517,561	-	517,561	483,106
Event Services	45,152	-	45,152	52,387
Total Program Expenses	8,689,797	-	8,689,797	7,759,607
Management and General	807,201	-	807,201	797,321
Development and Fundraising	134,440	-	134,440	154,458
Total Operating Expenses	9,631,438	-	9,631,438	8,711,386
Increase (Decrease) in Net Assets from Operations	404,867	77,793	482,660	896,933
Net Assets - Beginning of Year	8,601,963	720,207	9,322,170	8,425,237
Net Assets - End of Year	\$9,006,830	\$798,000	\$9,804,830	\$9,322,170

See Accompanying Notes to Financial Statements

SourcePoint
Statement of Functional Expenses
For the Year Ended December 31, 2017

	In-Home Care	Community Programs	Nutrition	Communications and Outreach	Event Services	Total Program Services	Development	Management and General	2017 Total Expenses	2016 Restated Total Expenses
Salaries	\$1,167,884	\$814,203	\$488,143	\$236,440	\$10,574	\$2,717,244	\$55,602	\$476,862	\$3,249,708	\$2,983,123
Payroll Taxes and Fringe Benefits	442,121	268,930	175,109	116,003	6,490	1,008,653	16,923	172,480	\$1,198,056	1,110,104
Total Personnel Costs	\$1,610,005	\$1,083,133	\$663,252	\$352,443	\$17,064	\$3,725,897	\$72,525	\$649,342	\$4,447,764	\$4,093,227
Client / Member Serv. Contracted	2,377,441	285,996	114,689	-	-	2,778,126	-	-	\$2,778,126	2,314,118
Grants	-	645,415	-	-	-	645,415	-	-	\$645,415	692,093
Raw Food / Kitchen Supplies	-	9,309	573,187	-	22,623	605,119	-	-	\$605,119	542,646
Operating Service Fees	44,930	85,168	40,524	20,976	2,844	194,442	5,288	31,591	\$231,321	192,952
Utilities	15,827	90,899	33,173	2,388	989	143,276	684	4,517	\$148,477	145,730
Depreciation & Amortization	44,986	72,826	28,522	6,665	985	153,984	3,057	12,584	\$169,625	160,036
General Supplies	11,276	40,978	21,962	9,319	119	83,654	28,119	10,258	\$122,031	135,226
Professional Fees	7,792	1,509	309	10,240	-	19,850	200	58,666	\$78,716	64,959
Maintenance and Repair	4,810	30,239	35,530	726	303	71,608	208	1,373	\$73,189	72,458
Equipment, Furniture, Rental	8,555	9,353	4,162	3,974	71	26,115	345	2,389	\$28,849	27,692
Printing	4,663	4,654	6,608	64,688	9	80,622	2,734	665	\$84,021	57,025
Advertising	-	-	-	29,472	-	29,472	174	9,853	\$39,499	34,548
Travel, Entertainment, Meals	15,413	2,474	4,501	1,560	1	23,949	1,166	8,643	\$33,758	42,064
Insurance	19,424	10,973	4,936	2,931	114	38,378	839	5,543	\$44,760	45,393
Telephone and Internet	20,829	6,446	5,895	2,313	101	35,584	399	3,115	\$39,098	30,759
Postage	8,252	3,510	1,679	1,244	34	14,719	1,256	1,639	\$17,614	21,091
Training	1,912	1,637	1,014	1,021	3	5,587	440	2,851	\$8,878	10,509
Sponsorships	-	-	-	4,598	-	4,598	17,000	-	\$21,598	7,630
Subs, Dues, and Licenses	2,320	1,672	1,143	3,003	-	8,138	6	4,472	\$12,616	10,224
Other	570	-	802	-	(108)	1,264	-	(300)	\$964	11,006
Total Expenses	\$4,199,005	\$2,386,191	\$1,541,888	\$517,561	\$45,152	\$8,689,797	\$134,440	\$807,201	\$9,631,438	\$8,711,386

See Accompanying Notes to Financial Statements

SourcePoint
Statements of Cash Flows
For the years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$482,660	\$896,933
Adjustments to Reconcile to Net Cash Provided by Operating Activities:		
Depreciation & Amortization	169,624	160,036
Decrease (increase) in assets:		
Accounts Receivable	(1,673)	18,803
Inventory	(3,935)	2,883
Prepaid Expenses	(95,471)	(10,119)
Other Assets	(4,272)	(1,631)
Increase (decrease) in liabilities:		
Accounts Payable and Accrued Expense	38,232	113,349
Grants Payable	(33,512)	31,465
Deferred Revenue	<u>(22,319)</u>	<u>52,519</u>
Net Cash Provided from Operating Activities	529,334	1,264,238
Cash Flows from Investing Activities:		
Purchase of Capital Assets	(189,876)	(123,242)
Purchase of Investments	(869,000)	(500,000)
Proceeds from Maturing Investments	-	28,000
Interest Earnings on Investments	(128,087)	(90,864)
(Gain)Loss on Marketable Securities	<u>(77,176)</u>	<u>35,236</u>
Net Cash Provided from (used by) Investing Activities	<u>(1,264,139)</u>	<u>(650,870)</u>
Net Change in Cash and Cash Equivalents	(734,805)	613,368
Cash and Cash Equivalents - Beginning of the Year	<u>2,859,139</u>	<u>2,245,771</u>
Cash and Cash Equivalents - End of the Year	<u><u>\$2,124,334</u></u>	<u><u>\$2,859,139</u></u>

See Accompanying Notes to Financial Statements

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

SourcePoint is a nonprofit 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 currently effective 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 services, 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, event 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

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.

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 asset costs that exceed \$1,000 and with useful lives that exceed one year.

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 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 and event service operations. No provision has been made for income tax as SourcePoint anticipates the associated expenses will exceed the revenue.

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.

SourcePoint
 Delaware County
 Notes to the Financial Statements
 December 31, 2017 and 2016

2. CONCENTRATION OF CREDIT RISK

SourcePoint maintains 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 our deposits. All checking accounts were insured at December 31, 2017 and 2016.

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

3. INVESTMENTS

Investments are reported at fair market value and consist of the following as of December 31, 2017 and 2016.

<u>Investments</u>	<u>2017</u>	<u>2016</u>
Bonds	\$5,245,942	\$4,391,902
Equities	916,112	645,206
Cash / Money Market	682,049	612,087
<u>Certificates of Deposit</u>	<u>-</u>	<u>120,646</u>
Total Investments	<u>\$6,844,103</u>	<u>\$5,769,841</u>

4. 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.

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.

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 temporarily restricted contributions, until they are awarded to recipients. Awards began in the fall of 2016.

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2017 and 2016

4. NET ASSETS – Continued

The following summarizes the balances of net assets with limited use as of December 31:

	<u>2017</u>	<u>2016</u>
Board Designated for Capitol Improvement	<u>\$1,145,649</u>	<u>\$1,061,352</u>
Temporarily Restricted:		
Legacy Fund	\$774,895	\$684,272
Scholarship Fund	16,605	13,435
Other Contributions	<u>6,500</u>	<u>22,500</u>
	<u>\$798,000</u>	<u>\$720,207</u>

5. LEASES

800 Cheshire Road, Delaware

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, 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 December 31, 2025.

1070 Polaris Parkway, Columbus OH

In December 2017, SourcePoint entered into a lease agreement with BT/GSR Polaris Properties, LLC, to lease real property consisting of 5264-square-foot located at 1070 Polaris Parkway, Columbus. The property is located on the second floor and is identified as suite 200. The term of the lease is (5) five years, 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:

2018 - \$ 67,054	2021 - \$105,277
2019 - \$102,650	2022 - \$106,591
2020 - \$103,964	2023 - \$ 26,730

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2017 and 2016

5. LEASES - Continued

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 2019 and 2020; future combined minimum lease payments under these leases are as follows:

2018 - \$14,809
2019 - \$9,523
2020 - \$942

6. PROPERTY AND EQUIPMENT

The following schedule summarizes the changes in property and equipment for the year ended December 31, 2017.

	January 1 <u>2017</u>	<u>Additions</u>	<u>Disposals</u>	December 31 <u>2017</u>
Leasehold Improvements	1,225,859	28,119	-	1,253,978
Equipment, Furniture and Fixtures	901,290	150,277	(17,797)	1,033,770
Vehicles	111,962	11,480	-	123,442
Less Accumulated Depreciation	<u>(1,137,736)</u>	<u>(169,624)</u>	<u>17,797</u>	<u>(1,289,563)</u>
Totals	<u>1,101,375</u>	<u>20,252</u>	<u>-</u>	<u>1,121,627</u>

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>
Leasehold Improvements	1,225,859	-	-	1,225,859
Equipment, Furniture and Fixtures	808,369	106,190	(13,269)	901,290
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>

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.

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2017 and 2016

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 at December 31, 2017 was \$35,465, 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

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 2017 and 2016.

	<u>2017</u>	<u>2016</u>
Delaware Area Transit Agency	\$201,168	\$201,168
National Church Residences	-	123,691
Help Line of Delaware & Morrow Counties, Inc.	94,919	92,464
Delaware Speech & Hearing	79,924	77,131
Alzheimer's Association	54,148	54,148
Catholic Social Services	54,663	45,853
Lutheran Social Services	15,000	20,000
Delaware County Juvenile Court	9,390	15,469
People in Need	20,000	10,000
Central Ohio Area Agency on Aging	10,000	10,000
OhioHealth Foundation—D.R.I.V.E. Program	25,135	8,697
Delaware General Health District	7,609	9,687
Employment for Seniors	9,728	9,770
Delaware Drug Fee Coalition	3,940	3,196
Common Ground Free Store	5,000	5,000
Alpha Group	3,205	2,976
Legal Aid Society	4,556	2,844
Delaware City Guardianship	6,330	-
Grace Clinic	20,000	-
Willow Brook Christian Services	20,700	-
Total	<u>\$645,415</u>	<u>\$692,094</u>

Grants payable are amounts due to these organizations for services provided. Grants payable to these organizations were \$56,832 as of December 31, 2017 and \$90,344 as of December 31, 2016.

SourcePoint
Delaware County
Notes to the Financial Statements
December 31, 2017 and 2016

9. GRANT COMMITMENTS

The following organizations have been awarded grants by SourcePoint for the term to begin in 2018:

	<u>2018</u>
Delaware Area Transit Agency	\$201,168
Help Line of Delaware and Morrow Counties, Inc.	84,016
Delaware Speech & Hearing	80,000
Catholic Social Services	36,663
Alzheimer's Association of Central Ohio	56,189
The Ohio Health Foundation—D.R.I.V.E. program	24,783
Willow-Brook Christian Services	20,700
Grace Clinic	25,000
People in Need	20,000
Delaware County Juvenile Court	20,637
Lutheran Social Services	15,000
Central Ohio Area Agency on Aging	10,000
Employment for Seniors	7,000
The Legal Aid Society of Columbus	7,500
Drug Free Delaware Coalition	6,782
Common Ground Free Store	7,000
The Alpha Group	<u>4,500</u>
Total	<u>\$626,938</u>

10. Client & Member Contracted Services

SourcePoint contracts on a purchase of services basis with various organizations, businesses, and individuals to provide both In-Home Care services to our clients as well as Community Based programming and services to our members and the public. 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>2017</u>	<u>2016</u>
Abbot Supply	65,029	68,670
Adena	7,800	4,140
Advanced Senior Group	39,616	9,088
Alpha Group	72,464	97,384
Angel Care	12,845	9,951
Assisted Care by Blackstone	5,406	25,085
Benedetti Services	10,713	7,844
BrightStar Care of Delaware	16,756	-
Central Ohio Senior Care (Home Instead)	55,923	92,001
Connect America	40,645	19,609
Critical Signal Technologies	40,084	49,575
Delaware Area Transit Authority	168,825	148,476
Delaware Court Healthcare Center (Levering Management)	2,255	-
Delaware-Morrow Mental Health	18,533	-
Duraline Medical Products, Incorporated	219,340	184,520

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 Delaware County
 Notes to the Financial Statements
 December 31, 2017 and 2016

10. IN-HOME CARE CONTRACT SERVICES - Continued

Emergency Plumbing Services, LLC	6,729	-
Farmers Market Vendors	53,078	52,138
First Light /KLP Enterprise Services	80,122	23,071
Giving Peace of Mind LLC / Home Helpers	66,550	70,413
Gorilla Ventures Corporation	9,562	-
Guardian Medical Monitoring Incorporated	20,932	24,930
Healthcom, Inc.	78,018	81,458
Interim Healthcare of Ohio Inc	447,859	354,573
Ivory Home Health Services	-	7,318
J & J Mobility LTD	59,543	58,134
Jodi Delgado	6,465	-
Katherine Lopez	6,420	9,493
Kathy Kotowski	-	18,340
Mary Jane Peterson	4,225	3,700
National Church Residences	-	103,437
Purfoods, LLC	7,884	-
Rejuvenate with Rebecca	15,213	15,015
Rural Metro of Northern Ohio Incorporated	3,843	7,960
Servant's Heart	10,827	-
Silver Crown Services, Inc	361,712	318,652
Snowrider Inc. / Right at Home	99,991	141,584
Stone Gate Capital	26,744	-
Travel Agencies	199,082	-
United Patient Care	9,539	19,213
Valued Relationships Incorporated	49,785	28,724
Varmint Guard	5,075	6,013
Vicki McGraw	4,725	6,350
Volunteer Drivers	77,267	78,378
Willow Brook Christian Village	145,872	57,170
Wise Medical Staffing	121,368	76,701
Other	<u>23,462</u>	<u>35,013</u>
Total	<u>\$2,778,126</u>	<u>2,314,121</u>

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 lower 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.

SourcePoint
Delaware County
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December 31, 2017 and 2016

12. MANAGEMENT COMPENSATION

The SourcePoint Board of Directors employs its 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 \$205,030 for 2017 and \$193,109 for 2016.

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 uses 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>
2017	61,399	\$1,411,563
2016	59,847	\$1,320,225

15. FEDERAL TRANSPORTATION ADMINISTRATION - FUNDING AWARD

On April 3, 2015, the Mid-Ohio Regional Planning Commission awarded SourcePoint an award of \$57,399 designated to purchase a light transit vehicle to use in transporting seniors. The Federal share would be 80% or \$45,919 and SourcePoint's share would be 20% or \$11,480.

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

On March 20, 2018, SourcePoint took receipt of the vehicle from MORPC, and the vehicle was put into service on April 30, 2018.

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16. SUBSEQUENT EVENTS

On May 8, 2018, Delaware County voters approved a local senior services levy, which is the primary funding source for SourcePoint. The 1.3 mill levy is estimated to provide \$9.1 million annually for five years commencing in 2019. The language from the approved tax levy follows:

PROPOSED TAX LEVY
(RENEWAL AND INCREASE)
DELAWARE COUNTY, OHIO
SENIOR CITIZENS SERVICES AND FACILITIES

“A renewal of 1.2 mills and an increase of 0.1 mill to constitute a tax for the benefit of Delaware County, Ohio for the purpose of providing services for senior citizens through SourcePoint (formerly known as the Council for Older Adults), including but not limited to, home delivered meals, transportation, in-home care, caregiver support and adult day care, at a rate not exceeding 1.3 mills for each one dollar of valuation, which amounts to thirteen cents (\$0.13) for each one hundred dollars of valuation, for five (5) years commencing in 2018, first due in calendar year 2019.

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
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 OF America and the standards applicable to financial audits contained in *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, 2017 and 2016, 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 22, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered SourcePoint's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SourcePoint's internal control. Accordingly, we do not express an opinion on the effectiveness of SourcePoint's internal control.

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

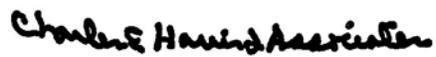
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



Charles E. Harris and Associates, Inc.
June 22, 2018



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, 25 2018**