

*SourcePoint*  
*Delaware County, Ohio*

**AUDIT REPORT**

**For the Years Ended December 31, 2018**







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Members of the Board  
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, 2018 through December 31, 2018. 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 "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

August 26, 2019

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**SourcePoint  
Delaware County  
Audit Report  
For the Years Ended December 31, 2018 and 2017**

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

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**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 statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, statements 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, 2018 and 2017, 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.

***Emphasis of Matter***

As discussed in Note 2 to the financial statements, during the year ended December 31, 2018, SourcePoint adopted the Financial Accounting Standards Board's Accounting Standards Update 2016-14 (Topic 958), *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2019 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 28, 2019



**SourcePoint**  
**Statements of Financial Position**  
**December 31, 2018 and 2017**

<b>Assets</b>			
	<b>2018</b>	<b>(Restated)</b>	
		<b>2017</b>	
<b>Current Assets</b>			
Cash	\$ 1,956,767	\$ 2,124,334	
Investments	6,939,014	6,844,103	
Accounts Receivable	123,595	98,569	
Inventory	61,868	57,239	
Prepaid Expense	72,271	172,495	
<b>Total Current Assets</b>	<b>9,153,515</b>	<b>9,296,740</b>	
<b>Property and Equipment</b>			
Furniture & Equipment	1,130,498	1,033,770	
Leasehold Improvements	1,334,607	1,253,978	
Vehicles	169,361	123,442	
Accumulated Depreciation	(1,449,889)	(1,289,563)	
<b>Property &amp; Equip. net of Depreciation</b>	<b>1,184,577</b>	<b>1,121,627</b>	
<b>Other Assets</b>			
Other Assets	7,097	2,500	
Beneficial Interest in Assets	32,208	35,465	
<b>Total Other Assets</b>	<b>39,305</b>	<b>37,965</b>	
<b>Total Assets</b>	<b>\$ 10,377,397</b>	<b>\$ 10,456,332</b>	
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 301,464	\$ 303,604	
Accrued Payroll and related Liabilities	290,203	258,671	
Grants Payable	13,432	56,832	
Deferred revenue	43,870	32,395	
<b>Total Current Liabilities</b>	<b>648,969</b>	<b>651,502</b>	
<b>Net Assets</b>			
Without Donor Restrictions	8,929,842	9,006,830	
With Donor Restrictions	798,586	798,000	
<b>Total Net Assets</b>	<b>9,728,428</b>	<b>9,804,830</b>	
<b>Total Liabilities and Net Assets</b>	<b>\$ 10,377,397</b>	<b>\$ 10,456,332</b>	

See Accompanying Notes to Financial Statements

**SourcePoint**  
**Statement of Activities and Changes in Net Assets**  
**For the year ended December 31, 2018**

	Without donor restrictions	With donor restrictions	2018 Total
<b>Operating Revenues:</b>			
<b>Revenue and Support:</b>			
Property Tax Levy	\$7,414,281	\$ -	\$7,414,281
Intergovernmental	916,166	-	916,166
Grants	601,865	-	601,865
Service Fees	886,021	-	886,021
Contributions	294,487	41,925	336,412
Investment & Interest Income, net of fees	174,506	15,572	190,078
Gain / Loss on Marketable Securities	(142,077)	(47,821)	(189,898)
Other	89,392	-	89,392
Net Assets Released from Restrictions	9,090	(9,090)	-
<b>Total Revenue and Support</b>	<b>10,243,731</b>	<b>586</b>	<b>10,244,317</b>
<b>Operating Expenses:</b>			
<b>Expenses:</b>			
Program Expenses:			
In-Home Care Services	4,868,653	-	4,868,653
Community Programs	2,263,578	-	2,263,578
Nutrition & Event Services	1,718,137	-	1,718,137
Communications and Outreach	504,468	-	504,468
<b>Total Program Expenses</b>	<b>9,354,836</b>	<b>-</b>	<b>9,354,836</b>
Management and General	820,642	-	820,642
Development and Fundraising	145,241	-	145,241
<b>Total Operating Expenses</b>	<b>10,320,719</b>	<b>-</b>	<b>10,320,719</b>
<b>Increase (Decrease) in Net Assets from Operations</b>	<b>(76,988)</b>	<b>586</b>	<b>(76,402)</b>
<b>Net Assets - Beginning of Year</b>	<b>9,006,830</b>	<b>798,000</b>	<b>9,804,830</b>
<b>Net Assets - End of Year</b>	<b>\$8,929,842</b>	<b>\$798,586</b>	<b>\$9,728,428</b>

**SourcePoint**  
**Statement of Activities and Changes in Net Assets**  
**For the year ended December 31, 2017**

	Restated		2017 Total
	Without donor restrictions	With donor restrictions	
<b>Operating Revenues:</b>			
<b>Revenue and Support:</b>			
Property Tax Levy	\$7,074,556	\$ -	\$7,074,556
Intergovernmental	903,548	-	903,548
Grants	550,987	-	550,987
Service Fees	957,378	-	957,378
Contributions	248,811	10,715	259,526
Investment & Interest Income, net of fees	140,402	16,902	157,304
Gain / Loss on Marketable Securities	7,202	73,720	80,922
Other	129,877	-	129,877
Net Assets Released from Restrictions	23,544	(23,544)	-
<b>Total Revenue and Support</b>	<b>10,036,305</b>	<b>77,793</b>	<b>10,114,098</b>
<b>Operating Expenses:</b>			
<b>Expenses:</b>			
Program Expenses:			
In-Home Care Services	4,199,005	-	4,199,005
Community Programs	2,386,191	-	2,386,191
Nutrition & Event Services	1,587,040	-	1,587,040
Communications and Outreach	517,561	-	517,561
Total Program Expenses	8,689,797	-	8,689,797
Management and General	807,201	-	807,201
Development and Fundraising	134,440	-	134,440
<b>Total Operating Expenses</b>	<b>9,631,438</b>	<b>-</b>	<b>9,631,438</b>
<b>Increase (Decrease) in Net Assets from Operations</b>	<b>404,867</b>	<b>77,793</b>	<b>482,660</b>
<b>Net Assets - Beginning of Year</b>	<b>8,601,963</b>	<b>720,207</b>	<b>9,322,170</b>
<b>Net Assets - End of Year</b>	<b>\$9,006,830</b>	<b>\$798,000</b>	<b>\$9,804,830</b>

**SourcePoint**  
**Statements of Functional Expenses**  
**For the Years Ended December 31, 2018 and 2017**

**2018**

	<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	\$1,787,151	\$1,139,708	\$743,030	\$342,199	\$101,775	\$677,132	\$4,790,995
Client and Member Services	2,761,824	130,415	739,498	-	-	-	3,631,737
Grants	-	613,507	-	-	-	-	613,507
Occupancy	114,113	138,111	98,564	11,332	3,074	21,806	387,000
Operating service fees	50,298	90,062	60,752	25,688	4,863	33,484	265,146
Depreciation and amortization	53,738	78,202	24,162	5,440	2,690	11,747	175,979
Advertising, printing and postage	15,927	9,246	7,052	86,430	3,560	16,304	138,519
General supplies	14,682	33,223	28,154	9,877	24,360	9,201	119,497
Professional fees	15,073	6,375	1,327	9,971	415	33,360	66,521
Travel and training	24,022	10,588	6,557	2,883	2,224	11,542	57,816
Telephone and internet	27,967	10,379	6,046	2,183	721	3,415	50,711
Other	3,858	3,763	2,995	8,465	1,559	2,651	23,291
<b>Total Expenses</b>	<b>\$4,868,653</b>	<b>\$2,263,579</b>	<b>\$1,718,137</b>	<b>\$504,468</b>	<b>\$145,241</b>	<b>\$820,642</b>	<b>\$10,320,719</b>

**2017**

	<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	\$1,610,006	\$1,083,133	\$680,316	\$352,443	\$72,525	\$649,341	\$4,447,764
Client and Member Services	\$2,377,441	\$295,305	\$710,499	-	-	-	3,383,245
Grants	-	\$645,415	-	-	-	-	645,415
Occupancy	\$48,616	\$141,463	\$79,278	10,020	\$2,076	\$13,822	295,275
Operating service fees	44,930	\$85,167	\$43,368	20,976	5,288	31,591	231,320
Depreciation and amortization	44,986	\$72,825	\$29,507	6,665	3,057	12,584	169,624
Advertising, printing and postage	\$12,915	\$8,167	\$8,330	95,404	\$4,164	\$12,157	141,137
General supplies	11,276	\$40,979	\$22,081	9,319	28,119	10,259	122,033
Professional fees	7,792	\$1,509	\$309	10,240	200	58,666	78,716
Travel and training	\$17,325	\$4,111	\$5,519	2,581	\$1,606	\$11,494	42,636
Telephone and internet	20,829	\$6,446	\$5,996	2,313	399	3,115	39,098
Other	\$2,889	\$1,671	\$1,837	7,600	\$17,006	\$4,172	35,175
<b>Total Expenses</b>	<b>\$4,199,005</b>	<b>\$2,386,191</b>	<b>\$1,587,040</b>	<b>\$517,561</b>	<b>\$134,440</b>	<b>\$807,201</b>	<b>\$9,631,438</b>

See Accompanying Notes to Financial Statements

**SourcePoint**  
**Statements of Cash Flows**  
**For the years Ended December 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Cash Flows from Operating Activities:</b>		
Change in Net Assets	\$ (76,402)	\$ 482,660
<b>Adjustments to Reconcile to Net Cash Provided by Operating Activities:</b>		
Depreciation & Amortization	175,979	169,624
Decrease (increase) in assets:		
Accounts Receivable	(25,026)	(1,673)
Inventory	(4,629)	(3,935)
Prepaid Expenses	100,224	(95,471)
Other Assets	(1,340)	(4,272)
Increase (decrease) in liabilities:		
Accounts Payable and Accrued Expense	29,392	38,232
Grants Payable	(43,400)	(33,512)
Deferred Revenue	11,475	(22,319)
<b>Net Cash Provided from Operating Activities</b>	<u>166,273</u>	<u>529,334</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of Capital Assets	(238,928)	(189,876)
Purchase of Investments	(125,000)	(869,000)
Interest Earnings on Investments	(155,473)	(128,087)
(Gain)Loss on Marketable Securities	185,561	(77,176)
<b>Net Cash Provided from (used by) Investing Activities</b>	<u>(333,840)</u>	<u>(1,264,139)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(167,567)	(734,805)
<b>Cash and Cash Equivalents - Beginning of the Year</b>	<u>2,124,334</u>	<u>2,859,139</u>
<b>Cash and Cash Equivalents - End of the Year</b>	<u>\$ 1,956,767</u>	<u>\$ 2,124,334</u>

See Accompanying Notes to Financial Statements

SourcePoint  
Delaware County  
Notes to the Financial Statements  
December 31, 2018 and 2017

**Note 1 – Description of the 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. Delaware County voters approved the most recent 1.3-mil levy in May 2018. This levy generates proceeds for SourcePoint beginning in 2019 and expires at the end of 2023.

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 enable older adults to remain living safely at home, while others ensure successful aging by promoting good health, 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 that features a fitness center, warm-water exercise pool, arts, education, caregiver programs, travel, and numerous recurring activities. Additionally, SourcePoint provides community education and outreach, special events, informative publications, event services, and a wide variety of volunteer opportunities.

**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 nonoperating 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. Nonoperating activities are limited to resources that generate returns from investments and other activities considered to be of a more unusual or nonrecurring nature.

SourcePoint  
Delaware County  
Notes to the Financial Statements  
December 31, 2018 and 2017

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

**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 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, 2018 and Dec. 31, 2017.

**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 based 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.

SourcePoint  
Delaware County  
Notes to the Financial Statements  
December 31, 2018 and 2017

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

**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.

**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 \$15,650 and donated equipment of \$12,000 for the year ending Dec. 31, 2018. 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, operating expenses and property and equipment 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 \$1,552,981 for 2018 and \$1,411,563 for 2017. 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.



SourcePoint  
Delaware County  
Notes to the Financial Statements  
December 31, 2018 and 2017

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

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
Front Desk (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.

**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.

**New Accounting Pronouncement** – On Aug. 18, 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. SourcePoint has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

SourcePoint  
 Delaware County  
 Notes to the Financial Statements  
 December 31, 2018 and 2017

**Note 3 – Availability and Liquidity**

The following represents SourcePoint’s financial assets at December 31, 2018 and 2017:

Financial assets at year end:	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$1,956,767	\$2,124,334
Investments	<u>6,939,014</u>	<u>6,844,103</u>
Total financial assets	8,895,781	8,968,437
Less amounts not available to be used within one year:		
Net assets with donor restrictions	798,586	798,000
Less net assets with purpose restrictions to be met in less than a year	(779,271)	(9,090)
Board-designated for capital improvements	<u>1,248,738</u>	<u>1,145,649</u>
Total not available	<u>1,268,053</u>	<u>1,934,559</u>
Financial assets available to meet general expenditures over the next 12 months:	<u>\$7,627,728</u>	<u>\$7,033,878</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 December 31, 2018 and 2017. Investments are reported at fair market value.

<u>Investments</u>	<u>2018</u>	<u>2017</u>
Bonds	\$5,005,957	\$5,245,942
Equities	815,907	916,112
Cash/Money Market	<u>1,117,150</u>	<u>682,049</u>
Total Investments	<u>\$6,939,014</u>	<u>\$6,844,103</u>

As of December 31, 2018 and 2017, all investments were considered level 1 investments.

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**Note 5 – Property and Equipment**

The following schedule summarizes the changes in property and equipment for the year ended December 31, 2018. Depreciation expense totaled \$175,979 for the year ending December 2018.

	<u>Jan. 1</u> <u>2018</u>	<u>Additions</u>	<u>Disposals</u>	<u>Dec. 31</u> <u>2018</u>
Leasehold Improvements	\$1,253,978	\$ 80,629	-	\$1,334,607
Equipment, Furniture, and Fixtures	1,033,770	112,380	\$(15,654)	1,130,498
Vehicles	123,442	45,919	-	169,361
<u>Less Accumulated Depreciation</u>	<u>(1,289,563)</u>	<u>(175,979)</u>	<u>15,654</u>	<u>(1,449,889)</u>
Totals	<u>\$1,121,627</u>	<u>\$62,949</u>	<u>\$ -</u>	<u>\$1,184,577</u>

The following schedule summarizes the changes in property and equipment for the year ended December 31, 2017. Depreciation expense totaled \$169,624 for the year ending December 2017.

	<u>Jan. 1</u> <u>2017</u>	<u>Additions</u>	<u>Disposals</u>	<u>Dec. 31</u> <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
<u>Less Accumulated Depreciation</u>	<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>

**Note 6 – Lease Commitments**

**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.)

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**Note 6 – Lease Commitments (continued)**

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**

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:

2019 - \$107,377	2021 - \$110,004	2023 - \$27,911
2020 - \$108,690	2022 - \$111,317	

**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 are as follows:

2019 - \$9,553
2020 - \$9542

**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.

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 was \$32,208 on December 31, 2018 and \$35,465 on December 31, 2017, which included SourcePoint's original contribution, contributions made to the fund by outside parties, and earnings and cumulative changes in market value.

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**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.

**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.

**Net assets with donor restrictions** were as follows for the years ending Dec. 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Legacy Fund	\$742,646	\$774,895
Scholarship Fund	19,315	16,605
Other	<u>36,625</u>	<u>6,500</u>
Total	<u>\$798,586</u>	<u>\$798,000</u>

**Net assets without donor restrictions** were as follows for the years ending Dec. 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Undesignated	\$7,681,104	\$7,861,181
Board Designated for Capitol Improvement	<u>1,248,738</u>	<u>1,145,649</u>
Total	<u>\$8,929,842</u>	<u>\$9,006,830</u>

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

	<u>2018</u>	<u>2017</u>
Scholarship Fund	\$2,590	\$ 1,044
Other	<u>6,500</u>	<u>22,500</u>
Total	<u>\$9,090</u>	<u>\$23,544</u>

**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.

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**Note 9 – Employee Benefit Plan (continued)**

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. 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 \$225,209 for 2018 and \$205,030 for 2017

**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 December 31, 2019.

**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 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Delaware Area Transit Agency	201,168	201,168
HelpLine of Delaware & Morrow Counties, Inc.	84,016	94,919
Delaware Speech & Hearing	79,923	79,924
Alzheimer’s Association	56,189	54,148
Catholic Social Services	36,663	54,663
Lutheran Social Services	15,000	15,000
Delaware County Juvenile Court	17,816	23,329
People In Need	20,000	20,000
Central Ohio Area Agency on Aging	10,000	10,000
OhioHealth Foundation—D.R.I.V.E. Program	24,594	25,135
Employment for Seniors	7,000	9,728
Delaware Drug-Free Coalition	4,668	3,940
Common Ground Free Store	7,000	5,000
Alpha Group	2,673	3,205
Legal Aid Society	1,209	4,556
Grace Clinic	25,000	20,000
Willow Brook Christian Services	<u>20,588</u>	<u>20,700</u>
Total	<u>\$613,507</u>	<u>\$645,415</u>

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**Note 11 – Grants (continued)**

The following organizations have been awarded grants by SourcePoint for the term beginning in 2019:

	<u>2019</u>
Delaware Area Transit Agency	\$201,168
HelpLine of Delaware and Morrow Counties, Inc.	82,500
Delaware Speech & Hearing	83,800
Catholic Social Services	35,000
Alzheimer’s Association	51,000
The OhioHealth Foundation—D.R.I.V.E. Program	26,533
Grace Clinic	30,000
People In Need	30,000
Delaware County Juvenile Court	19,791
Lutheran Social Services	15,000
Central Ohio Area Agency on Aging	10,000
Common Ground Free Store	10,000
Legal Aid Society	7,000
Delaware Drug-Free Coalition	6,500
Alpha Group	5,000
Family Promises of Delaware County	<u>2,500</u>
Total	<u>\$615,792</u>

**Note 12 – In-Home Care Contract Service Providers**

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

	<u>2018</u>	<u>2017</u>
Abbot Supply	53,712	65,029
Advanced Senior Support	88,077	39,616
Aging in Place	17,834	-
Alpha Group	64,752	72,464
Angel Care	12,607	12,845
Benedetti Services	18,269	10,713
Bridges Community Action Partner	6,080	-
BrightStar Care of Delaware	35,322	16,756
Caregiver USA	64,187	-
Central Ohio Senior Care (Home Instead)	43,919	55,923
Connect America	61,205	40,645
Critical Signal Technologies	31,638	40,084
Delaware Area Transit Authority	209,723	168,825
Delaware General Health District	9,025	-
Delaware Court Healthcare Center (Levering Management)	10,812	2,255
Delaware-Morrow Mental Health	55,165	18,533
Duraline Medical Products, Inc.	231,565	219,340

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**Note 12 – In-Home Care Contract Service Providers (continued)**

Farmers Market Vendors	56,559	53,078
First Light/KLP Enterprise Services	59,425	80,122
Giving Peace of Mind LLC/Home Helpers	66,600	66,550
Gorilla Ventures Corporation	48,236	9,562
Guardian Medical Monitoring Incorporated	18,581	20,932
HealthCom, Inc.	64,845	78,018
Interim Healthcare of Ohio Inc.	527,520	447,589
J & J Mobility LTD	86,778	59,543
James W. Johnson	5,264	-
Jennifer Stachler	7,519	-
Katherine Lopez	11,988	6,420
Marion Mulch & More	8,965	-
Polly Morgan	14,871	-
Purfoods, LLC	28,042	7,884
Rejuvenate with Rebecca	4,494	15,213
Silver Crown Services, Inc	284,924	361,712
Snowrider Inc./Right at Home	158,804	99,991
Stone Gate Capital	42,741	26,744
Travel Agencies	15,719	199,082
United Patient Care	7,398	9,539
Valued Relationships Inc.	78,614	49,785
Volunteer Drivers	74,290	77,267
Willow Brook Christian Village	179,618	145,872
Wise Medical Staffing	87,716	121,368
Other	47,823	78,557
<b>Total</b>	<b><u>\$3,001,226</u></b>	<b><u>\$2,777,856</u></b>

**Note 13 – Subsequent Events**

**ECBP and Legacy Fund** – On November 25, 2013, Council for Older Adults, now known as SourcePoint, entered into a merger agreement with Senior Citizens Incorporated of Delaware County, an Ohio nonprofit corporation, effective January 1, 2014. The merger agreement required the net financial assets of Senior Citizens Inc. (less any outstanding liabilities) be accounted for in a restricted fund known as the Legacy Fund. In addition, the terms of the merger agreement called for an advisory board to be established known as the Enrichment Center Program Board (ECPB) and expenditures from the Legacy Fund required prior approval from this advisory board. The merger agreement required the ECPB to remain in existence for five years.

On September 26, 2018, the Board of Directors voted to dissolve the ECPB, effective January 1, 2019. With this dissolution, the restriction on the Legacy Fund was released. As of January 1, 2019, the Legacy Fund was released from net assets with restrictions.



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**Note 13 – Subsequent Events (continued)**

**Executive Leadership** – On January 11, 2019, SourcePoint’s founding executive director announced his retirement, effective later this year. The Board of Directors, after an extensive search, announced Fara Waugh, the Director of Client Services, will be the new Executive Director effective July 1, 2019.

SourcePoint has evaluated subsequent events through June 28, 2019 which is the date the financial statements were available to be issued.

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

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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, 2018, 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 28, 2019. We noted that SourcePoint implemented Financial Accounting Standards Board (FASB 2016-14, Not-For-Profit Entities (Topic 958) – *Presentation of Financial Statements for Not-For Profit Entities*.

***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 SourcePoint'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.

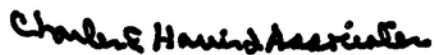
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 SourcePoint's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris and Associates, Inc.***  
June 28, 2019

OHIO AUDITOR OF STATE  
**KEITH FABER**



**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 5, 2019**