

MATURE SERVICES, INC.

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

September 30, 2016 and 2015

MATURE SERVICES, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Mature Services, Inc.
Akron, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of Mature Services, Inc. (the "Organization"), which comprise the statement of financial position as of September 30, 2016 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for 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 of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 the entity'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 the entity's internal control. Accordingly, we express no such opinion. An audit also include 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 the Organization as of September 30, 2016, and the changes in its net assets and its cash flows for the year end ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2015 financial statements, and in our report dated December 14, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* ("CFR"), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards*, 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 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 February 8, 2017, on our consideration of the Organization's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



BOBER, MARKEY, FEDOROVICH & COMPANY
Akron, Ohio

February 8, 2017

MATURE SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2016 and 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,417,699	\$ 1,352,462
Grants and contracts receivable	968,959	783,560
Prepaid expenses	46,904	71,067
TOTAL CURRENT ASSETS	2,433,562	2,207,089
NONCURRENT ASSETS		
Restricted cash	56,288	11,496
Fixed assets, net	89,663	123,252
Beneficial interest in trust	32,286	9,743
Deposits	22,698	9,884
TOTAL NONCURRENT ASSETS	200,935	154,375
TOTAL ASSETS	\$ 2,634,497	\$ 2,361,464
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 132,164	\$ 153,943
Accrued payroll and related expenses	789,449	688,305
Unearned revenue	23,701	106,354
TOTAL CURRENT LIABILITIES	945,314	948,602
NET ASSETS		
Unrestricted	1,657,960	1,402,862
Permanently restricted	31,223	10,000
TOTAL NET ASSETS	1,689,183	1,412,862
TOTAL LIABILITIES AND NET ASSETS	\$ 2,634,497	\$ 2,361,464

The accompanying notes are an integral part of these financial statements.

MATURE SERVICES, INC.
STATEMENTS OF ACTIVITIES
For the Year Ended September 30, 2016
With Comparative Totals for the Year Ended September 30, 2015

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>2016</u>	<u>2015</u>
REVENUES, GAINS AND OTHER SUPPORT				
Fees and grants from governmental agencies	\$ 11,914,907	\$ -	\$ 11,914,907	\$ 11,476,820
Contributions, including in-kind	444,869	21,223	466,092	381,988
Program service fees	672,657	-	672,657	409,530
Other public support	108,986	-	108,986	127,014
Investment income (loss)	1,579	-	1,579	47
Gain on sale of assets	-	-	-	2,000
Other revenue	10,704	-	10,704	23,324
Total revenue	<u>13,153,702</u>	<u>21,223</u>	<u>13,174,925</u>	<u>12,420,723</u>
EXPENSES				
Program services				
Homecare				
Homemaker/home health aide services	456,208	-	456,208	435,864
Chore services	23,922	-	23,922	21,015
Integrated addiction and mental health services				
health services	797,123	-	797,123	651,627
Employment and training services	9,328,604	-	9,328,604	8,920,647
Volunteer services	108,271	-	108,271	106,735
Nutrition services	1,298,115	-	1,298,115	978,814
Total program services	<u>12,012,243</u>	<u>-</u>	<u>12,012,243</u>	<u>11,114,702</u>
Supporting services				
Management and general	880,702	-	880,702	894,361
Fundraising	5,659	-	5,659	33,620
Total supporting services	<u>886,361</u>	<u>-</u>	<u>886,361</u>	<u>927,981</u>
Total expenses	<u>12,898,604</u>	<u>-</u>	<u>12,898,604</u>	<u>12,042,683</u>
CHANGE IN NET ASSETS	255,098	21,223	276,321	378,040
NET ASSETS AT BEGINNING OF YEAR	<u>1,402,862</u>	<u>10,000</u>	<u>1,412,862</u>	<u>1,034,822</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,657,960</u>	<u>\$ 31,223</u>	<u>\$ 1,689,183</u>	<u>\$ 1,412,862</u>

The accompanying notes are an integral part of these financial statements.

MATURE SERVICES, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 276,321	\$ 378,040
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	33,589	37,750
Gain on disposal of asset	-	(2,000)
Unrealized (gain) loss from beneficial interest in trust	(786)	280
Realized gain from beneficial interest in trust	(109)	(8)
Investment income from beneficial interest in trust, net	(425)	(15)
Changes in operating assets and liabilities:		
Grants and contracts receivable	(185,399)	115,409
Prepaid expenses	24,163	(35,248)
Deposits	(12,814)	(3,597)
Accounts payable	(21,779)	104,385
Accrued payroll and related expenses	101,144	(47,073)
Unearned revenue	(82,653)	68,533
NET CASH PROVIDED BY OPERATING ACTIVITIES	131,252	616,456
CASH FLOWS FROM INVESTING ACTIVITIES		
Beneficial interest in trust	(21,223)	(10,000)
Proceeds from sale of fixed assets	-	2,000
Purchases of fixed assets	-	(76,590)
NET CASH USED IN INVESTING ACTIVITIES	(21,223)	(84,590)
NET CHANGE IN CASH AND CASH EQUIVALENTS	110,029	531,866
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,363,958	832,092
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,473,987	\$ 1,363,958

The accompanying notes are an integral part of these financial statements.

MATURE SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2016
With Comparative Totals for the Year Ended September 30, 2015

	Program Services						Supporting Services			2016 Total	2015 Total	
	Homecare Services		Integrated Addiction and Mental Health Services	Employment and Training Services	Volunteer Services	Nutrition Services	Total	Management and General	Fundraising			Total
	Homemaker/ Home Health Aide Services	Chore Services										
Salaries	\$ 369,533	\$ 17,468	\$ 448,558	\$ 7,595,597	\$ 56,916	\$ 325,488	\$ 8,813,560	\$ 622,744	\$ 2,911	\$ 625,655	\$ 9,439,215	\$ 9,393,186
Payroll taxes and related expenses	53,662	2,305	141,876	1,045,171	15,743	103,269	1,362,026	150,208	402	150,610	1,512,636	1,018,246
Total salaries and related expenses	423,195	19,773	590,434	8,640,768	72,659	428,757	10,175,586	772,952	3,313	776,265	10,951,851	10,411,432
Contract services	2,048	140	9,394	80,426	298	8,186	100,492	29,692	51	29,743	130,235	96,209
Supplies	11,402	1,250	102,470	202,598	16,725	695,704	1,030,149	37,648	2,033	39,681	1,069,830	765,508
Telephone	843	20	3,536	57,628	260	4,640	66,927	2,790	-	2,790	69,717	69,687
Postage	1,944	60	585	17,237	514	1,206	21,546	457	8	465	22,011	21,884
Occupancy	4,156	1,106	50,841	210,209	11,520	96,863	374,695	14,172	-	14,172	388,867	390,900
Insurance	4,019	164	15,613	61,088	2,458	17,228	100,570	8,576	-	8,576	109,146	103,844
Travel	7,099	1,328	16,533	46,185	3,283	21,529	95,957	3,087	20	3,107	99,064	110,021
Training	881	81	1,310	8,810	554	1,237	12,873	5,849	234	6,083	18,956	30,886
Physical examinations	621	-	-	3,655	-	62	4,338	-	-	-	4,338	4,562
Miscellaneous	-	-	1,000	-	-	-	1,000	-	-	-	1,000	-
Total expenses before depreciation	456,208	23,922	791,716	9,328,604	108,271	1,275,412	11,984,133	875,223	5,659	880,882	12,865,015	12,004,933
Depreciation	-	-	5,407	-	-	22,703	28,110	5,479	-	5,479	33,589	37,750
Total expenses	\$ 456,208	\$ 23,922	\$ 797,123	\$ 9,328,604	\$ 108,271	\$ 1,298,115	\$ 12,012,243	\$ 880,702	\$ 5,659	\$ 886,361	\$ 12,898,604	\$ 12,042,683
Fiscal 2015 expenses	\$ 435,864	\$ 21,015	\$ 651,627	\$ 8,920,647	\$ 106,735	\$ 978,814	\$ 11,114,702	\$ 894,361	\$ 33,620	\$ 927,981	\$ 12,042,683	

The accompanying notes are an integral part of these financial statements.

MATURE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2016 and 2015

NOTE 1 - ORGANIZATION

Nature of Operations

Mature Services, Inc. (the "Organization") provides high-quality programs to empower the economic, social, physical, and mental well-being of adults as they age. Programs include: employment and training, integrated mental health and alcohol and other drug treatment and prevention services, homecare, nutrition, emergency food, and volunteer programs.

Homecare Services

Direct services are provided in the homes of older adults and individuals with disabilities. A representative of the department develops an individualized plan according to an assessment of the client's needs. Home health aide services provide skilled help with in-home health care needs. Homemakers provide help with light housekeeping, laundry, meal preparation, errands and grocery shopping. Chore services provide help with heavy household cleaning. Stay@Homecare is the department's private pay division offering both Homemaker/Home Health Aid and Chore services as a fee-for-service alternative. These fees-for-service programs help support the Organization's programs. A Supportive Services Representative assists eligible clients to complete application for Homecare services and provides information about other community programs and services. Clients will also be referred for assistance with emergency food. Referrals are accepted from the community, family members or other agencies. Intake interviews are conducted by telephone.

Integrated Addiction and Mental Health Services

Avenues to Recovery provides specialized integrated mental health and alcohol and other drug treatment and prevention services to persons age fifty and older and adults with disabilities. Services include group counseling, individual counseling, intensive outpatient, case management, crisis management intervention, assessment, peer coaching, mentoring, and recovery support services. Outreach, training and prevention services are provided throughout the community.

Employment and Training Services

Job training programs for mature job seekers are provided throughout Ohio. Under grants from the U.S. Department of Labor and Ohio Department of Aging, services include paid community service employment and job training to help low-income workers age 55 and older develop skills needed to transition into unsubsidized employment while contributing service hours to local non-profits and government organizations. Local Workforce Development Boards contract with the Organization to offer job club programs to provide peer support and computer skills, job search training and placement assistance for a growing number of mature, displaced or unemployed workers. Annual mature workers job fairs and workshops are also organized and managed as part of the job training program. Mature Staffing Systems is a fee-for-service staffing service specializing in service to individuals age 40 and older, with fees helping to support the Organization's programs. Encore is a new beta program funded by the Cleveland Foundation.

Volunteer Services

The RSVP Volunteer Program, a program of the Corporation for National and Community Service, provides volunteers ages 55 and older with service opportunities within Summit and Medina counties.

MATURE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2016 and 2015

RSVP volunteers address critical community needs and take on new national initiatives to meet those needs. The RSVP volunteers perform a multitude of activities from mentoring and tutoring youth to helping seniors maintain their independence through a variety of wellness and socialization programs. Volunteers serve at more than 15 nonprofit agencies and organizations in Summit and Medina counties including food collection and distribution sites, congregate meal sites, schools and hospitals and many other community based organizations to assist with daily operations and special projects.

Nutrition Services

Nutritious meals are planned, prepared and served to older adults and disabled individuals at seven dining centers daily. Home-delivered meals are provided to home bound clients. A Farmer's Market program provides vouchers to people ages 60+ to purchase fresh fruit and vegetables from local farmers during the summer. In addition, the emergency food program delivers food to those in need. The Festive Food Catering Services is a fee-for-service program that offers catering services to the public, these fees help support the Organization's programs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

As required by the Not for Profit Entities Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents.

Concentration of Credit Risk and Funding

The Organization maintains its cash balances in commercial banks located in Ohio. Accounts maintained in commercial banks are guaranteed by the Federal Deposit Insurance Corporation. At times balances held at financial institutions were in excess of the federally insured limits. The Organization believes no significant concentration of risk exists with respect to these cash investments.

The Organization is funded from grants and reimbursements from various governmental agencies. The Organization anticipates the renewal of all its grants and federal awards. The Organization received approximately 67% and 74% of their revenue from the Department of Labor for each of the years ended September 30, 2016 and 2015, respectively.

MATURE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2016 and 2015

Fair Value of Financial Instruments

Fair value estimates are made at a specific point in time based on relevant market information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fixed Assets

Purchased fixed assets are recorded at cost and donated fixed assets are recorded at fair value at the date of donation (items valued at \$5,000 and over are capitalized). Routine maintenance, repairs, renewals and replacement costs are charged against income. Expenditures that significantly increase values, change capacities or extend useful lives are capitalized.

Depreciation is computed by the straight-line method, using the half-year convention, at rates calculated to amortize the cost or fair value at date of donation of the assets over their estimated useful lives as indicated below:

Furniture and equipment	5-10 years
Leasehold improvements	*

*Leasehold improvements are amortized over the lesser of their estimated useful lives or the lease term, including renewals.

Unearned Revenue

Unearned revenue represents monies received for which expenditures have not yet been incurred or services have not yet been performed.

Contributions

Pledges and contributions are recorded as revenue at the time the Organization receives the funds or a written communication from a donor indicating the amount and nature of the gift and that the gift is unconditional.

Unconditional gifts are recognized as temporarily restricted revenues if the donor's intention for the use of the funds is restricted for time or purpose. These gifts increase donor restricted (temporarily restricted) net assets until they are spend for the purpose intended or until the restricted time has passed.

Conditional gifts are recognized when the conditions on which they depend are substantially met. Conditional gifts include grants and contributions requiring that other funds are raised by the Organization as a match. Once the match has been raised as required, the original gift is recorded as revenue based on donor restrictions.

Grants, pledges and contributions with no donor restrictions or requirements as to their intended use are considered unrestricted in nature and recognized as unrestricted revenues in the statements of financial position.

MATURE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2016 and 2015

Gifts received that are designated for the beneficial interest in trust, Senior Love Fund, are classified as permanently restricted net assets on the statements of financial position and reported in investing activities in the statements of cash flows.

Functional Expenses

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

Tax Status

The Organization is a non-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Under the Income Tax Topic of the FASB ASC, the Organization is required to identify uncertain tax positions taken, assess and quantify those positions and record reserves. As of and for the years ended September 30, 2016 and 2015, the Organization has identified no uncertain tax positions.

The Organization files informational tax filings in United States Federal and State of Ohio jurisdictions.

Reclassifications

Certain prior year amounts have been reclassified in order to conform to the current year presentation.

Subsequent Events

The Organization has evaluated subsequent events through February 8, 2017, the date the financial statements were available to be issued, and has determined that, other than disclosed in Note 14, there were no subsequent events to recognize or disclose in the financial statements.

NOTE 3 - BENEFICIAL INTEREST IN TRUST HELD BY AKRON COMMUNITY FOUNDATION

The FASB ASC provides guidance on the net asset classification of donor-restricted endowments and board designated funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA").

The Organization's endowment consists of a beneficial interest in trust which was established through the Akron Community Foundation ("ACF"). As required by accounting principles generally accepted in the United States of America ("GAAP"), net assets associated with endowment funds are classified and reported on the existence or absence of donor or board imposed restrictions.

Interpretation of Relevant Law

The Organization believes that absent explicit donor stipulations to the contrary, fiduciary standards require the preservation of the "historic dollar value" of donor-restricted endowment funds. Historic dollar value as to any donor-restricted endowment fund means the aggregate fair value of (a) the original value of gifts donated to such fund, (b) the original value of subsequent gifts to such fund, and (c) accumulations to such fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Accordingly, the Organization classifies the historic dollar value of

MATURE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2016 and 2015

donor-restricted endowment funds as permanently restricted net assets. Notwithstanding the foregoing accounting classifications, unless the gift instrument creating a donor-restricted endowment fund expressly provides otherwise, the Board of Directors (the "Board") of the Organization may, as provided in Ohio UPMIFA, from time to time, appropriate for expenditure such portion of the permanently restricted net assets as the Board determines is prudent, after application of the factors set forth below.

In accordance with Ohio UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the funds
- The purpose of the Organization and the donor-restricted endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Return Objectives and Risk Parameters

The Organization follows investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results that over time will average the level of the approved Organization endowment spending rate plus inflation. Actual results in any given year may vary from this desired goal.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation in order to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to the Spending Policy

The endowments of the Organization are all held at ACF and as such, operate under a spending policy determined by ACF. In establishing this policy, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held into perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

MATURE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2016 and 2015

The following is a reconciliation of beneficial interest fund for the years ended September 30:

	2016		2015	
	Unrestricted	Permanently Restricted	Unrestricted	Permanently Restricted
Beginning balance	\$ (257)	\$ 10,000	\$ -	\$ -
Contributions	-	21,223	-	10,000
Interest and dividends, net	425		15	
Net unrealized gain (loss)	785		(280)	
Net realized gain	110		8	
Ending balance	<u>\$ 1,063</u>	<u>\$ 31,223</u>	<u>\$ (257)</u>	<u>\$ 10,000</u>

NOTE 4 - CASH

Cash in the amount of \$169,255 and \$177,656 is held in separate accounts as required by various grant agreements and is reserved for the use of the grant provisions as of September 30, 2016 and 2015, respectively. There is also restricted cash of \$56,288 and \$11,496 for employee health savings accounts at September 30, 2016 and 2015, respectively.

NOTE 5 - FAIR VALUE MEASUREMENTS

Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the Organization uses a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Assets measured at fair value on a recurring basis are as follows:

September 30, 2016	Fair Value	Level 1	Level 2	Level 3
Money market funds	\$ 108,407	\$ -	\$ 108,407	\$ -
Beneficial interest in trust held at Akron Community	32,286	-	32,286	-
	<u>\$ 140,693</u>	<u>\$ -</u>	<u>\$ 140,693</u>	<u>\$ -</u>

MATURE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2016 and 2015

September 30, 2015	Fair Value	Level 1	Level 2	Level 3
Money market funds	\$ 108,277	\$ -	\$ 108,277	\$ -
Beneficial interest in trust held at Akron Community	9,743	-	9,743	-
	<u>\$ 118,020</u>	<u>\$ -</u>	<u>\$ 118,020</u>	<u>\$ -</u>

The classification of fair value measurement within the hierarchy upon the lowest level of input that is significant to the measurement. Valuation methodologies used for assets and liabilities measured at fair value as are follows:

- *Money market:* Valued based on the closing price reported on the active market on which the individual securities are traded.
- *Beneficial interest in trust:* This investment pool, in which the Organization participates, includes investments in equities, mutual funds, and fixed income funds. The Organization's separate accounts are adjusted with its proportion of investment activity from the investment pool throughout the year. The fair value of both, the beneficial interest in fund and beneficial interest in perpetual fund, is equal to the Organization's proportion of the quoted price obtained for total investments in the investment pool.

NOTE 6 - FIXED ASSETS

The following is a summary of fixed assets, at cost, less accumulated depreciation at September 30:

	2016	2015
Furniture and equipment	\$ 461,926	\$ 461,926
Leasehold improvements	226,560	226,560
	688,486	688,486
Less: Accumulated depreciation	(598,823)	(565,234)
	<u>\$ 89,663</u>	<u>\$ 123,252</u>

NOTE 7 - LINE OF CREDIT

The Organization has a \$250,000 revolving line of credit with Chase Bank. The line of credit accrues interest at the Prime rate (3.75% and 3.25% at September 30, 2016 and 2015, respectively), plus one quarter percent, payable monthly. The line of credit is secured by all assets of the Organization. There were no borrowings outstanding under this line of credit at September 30, 2016 and 2015.

MATURE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2016 and 2015

NOTE 8 - LEASES

The Organization leases office space under non-cancelable operating lease agreements, with terms expiring at various dates through 2017. Certain leases contain provisions whereby if the Organization loses funding, the lease obligation can be terminated after a specific time period.

Future minimum lease payments under operating leases are as follows:

2017	\$	60,790
2018		23,347
2019		24,087
2020		24,878
2121		15,738
Thereafter		933
	<u>\$</u>	<u>149,773</u>

Rent expense was \$234,492 and \$214,718 for the years ended September 30, 2016 and 2015, respectively.

NOTE 9 - EMPLOYEE BENEFIT PLANS

The Organization sponsors a tax deferred savings plan which covers all eligible employees. Employees are permitted to make pre-tax deferrals of up to 25% of compensation or maximum amounts as allowed by law. The plan does not provide for an employer contribution.

The Organization also offers a comprehensive medical plan, life insurance and other customary benefits to eligible employees.

NOTE 10 - IN-KIND SUPPORT

The Organization receives volunteer services primarily to assist in serving their clients. In accordance with generally accepted accounting principles, this in-kind support is not recognized in the statement of activities. The fair value of this in-kind support was \$1,457,752 and \$1,273,120 for the years ended September 30, 2016 and 2015, respectively. Donated goods, training, advertising and rent of \$126,874 and \$116,999 are recognized in the statement of activities within "Contributions, including in-kind" for the years ending September 30, 2016 and 2015, respectively.

NOTE 11 - OHIO DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES AND COUNTY OF SUMMIT ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD

The Organization has recorded \$723,548 and \$674,901 in revenues from the Ohio Department of Mental Health & Addiction Services & County of Summit Alcohol, Drug Addiction & Mental Health Services Board

MATURE SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2016 and 2015

for years ending September 30, 2016 and 2015, respectively, for various addiction services. This amount is included in the statement of activities, "Fees and grants from governmental agencies" line. The accounts receivable from the Ohio Department of Mental Health & Addiction Services & County of Summit Alcohol, Drug Addiction & Mental Health Services Board at September 30, 2016 and 2015 were \$47,788 and \$93,341 respectively.

NOTE 12 - OHIO DEPARTMENT OF AGING

The Organization has been awarded contracts from the Ohio Department of Aging for contract years July 2016 through June 2017 and July 2015 through June 2016 in the amounts of \$3,699,727 and \$3,679,727, respectively. Revenues earned under these contracts were \$4,981,195 and \$3,656,961 for the fiscal years ending September 30, 2016 and 2015, respectively. These amounts are included in the statement of activities within "Fees and grants from governmental agencies".

NOTE 13 - CAPTIVE INSURANCE AGREEMENT

Effective July 1, 2015, the Organization entered into a group captive insurance agreement with a segregated account insurance company based in Bermuda. As of June 30, 2016, the Organization and five unrelated nonprofit organizations were members of a self-funded group medical captive program called Roundstone Mid Market Med Group Captive ("captive program") owned by the segregated accounting insurance company. The members of the captive program share in its annual underwriting results and risks.

The captive program insures claims relating to healthcare expenses through reinsurance agreements with healthcare policy holders. The Organization's reinsurance agreement for the year ended September 30, 2016 included a maximum annual aggregate stop loss benefit of \$1,000,000 with a maximum benefit per covered employee of \$25,000. The agreement also included a specific stop loss benefit with a deductible per employee of \$25,000.

As required by the agreement with the segregated account insurance company, the Organization has contributed indemnity collateral to the captive program. The indemnity collateral paid as of June 30, 2016 and 2015 was \$15,729 and \$3,947, respectively. The indemnity collateral is presented as prepaid expenses on the statements of financial position.

NOTE 14 - SUBSEQUENT EVENT – BUILDING PURCHASE

In December 2016, the Organization signed a purchase contract to purchase a building on Romig Road for \$1,300,000. The building purchase is scheduled on or before March 31, 2017.

MATURE SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures	Expenditures to Subrecipients
U.S. DEPARTMENT OF LABOR			
Title V of Older Americans Act--Senior Community Service Employment Program:			
Ohio Department of Aging	17.235	\$ 4,981,195	\$ -
United States Department of Labor	17.235	3,782,893	-
		<u>8,764,088</u>	<u>-</u>
Employment Training Administration--Workforce Initiative Act - WIA Adult Program and WIA Dislocated Workers:			
Summit County Department of Job and Family Services	17.258/17.260	217,263	-
Cuyahoga County Workforce Development	17.258/17.260	157,046	-
		<u>374,309</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF LABOR		9,138,397	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Social Services Block Grant Passed Through:			
Summit County Adult Protective Services	93.667	37,249	-
Area Agency of Aging, 10B, Inc.:			
Special Programs for the Aging Title III Part D Health Promotion	93.043	7,397	-
Special Programs for the Aging Title III Part B Senior Centers	93.044	9,124	-
Special Programs for the Aging Title III Part C Nutrition Services	93.045	234,826	-
Nutrition Services Incentive Program	93.053	37,372	-
County of Summit Alcohol, Drug Addiction and Mental Health Services Board: Block Grants for Prevention and Treatment Substance Abuse	93.959	104,646	-
		<u>430,614</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		430,614	-
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grants--Entitlement Grants Passed Through:			
City of Akron	14.218	30,793	-
City of Cuyahoga Falls	14.218	4,630	-
		<u>35,423</u>	<u>-</u>
CORPORATION OF NATIONAL AND COMMUNITY SERVICE			
Retired and Senior Volunteer Program	94.002	105,945	-

MATURE SERVICES, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended September 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures	Expenditures to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE Area Agency on Aging, 10B: Senior Farmers Market Nutrition Program	10.576	\$ 38,136	\$ -
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 9,748,515	\$ -

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF PRESENTATION

This schedule of expenditures of federal awards includes the federal grant activity of Mature Services, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - DE MINIMIS COST RATE

The Agency did not elect to use the 10% de minimis cost rate in accordance with 2 CFR 200.510(b)(6).

MATURE SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2016

SUMMARY OF THE AUDITORS' RESULTS

- Unqualified opinion issued on the financial statements.
- No significant deficiencies or material weaknesses in internal control over financial reporting were disclosed.
- No material instances of noncompliance were disclosed.
- No significant deficiencies or material weaknesses in internal control over major programs were disclosed.
- Unqualified opinion issued on compliance for major programs.
- The audit disclosed no audit findings required to be reported under OMB Uniform Guidance.
- The auditee qualified as a low-risk auditee.
- Identification of major programs:
 - U.S. Department of Labor – Title V of Older Americans Act –
17.235 Senior Community Service Employment
- The dollar threshold used to distinguish Type A and Type B programs was \$750,000.

FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED
IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

- No findings to be reported.

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

- No findings to be reported.

INDEPENDENT AUDITORS' 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*

To the Board of Directors
Mature Services, Inc.
Akron, Ohio

We have audited, in accordance with the 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 Mature Services, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 8, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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.

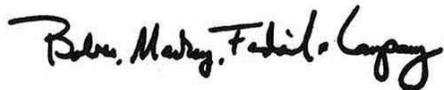
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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



BOBER, MARKEY, FEDOROVICH & COMPANY
Akron, Ohio

February 8, 2017

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Mature Services, Inc.
Akron, Ohio

Report on Compliance for Each Major Federal Program

We have audited Mature Services, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *Office of Management and Budget ("OMB") Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2016. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

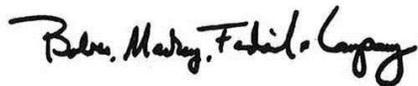
Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



BOBER, MARKEY, FEDOROVICH & COMPANY
Akron, Ohio

February 8, 2017