MATURE SERVICES, INC.

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

September 30, 2014 and 2013

MATURE SERVICES, INC.

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BOBER MARKEY FEDOROVICH

CERTIFIED PUBLIC ACCOUNTANTS/BUSINESS ADVISORS
A PROFESSIONAL CORPORATION

AKRON | CLEVELAND

# 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, 2014, and the related statements of activities, cash flows and functional expenses 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 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 *Governmental 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 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 Organization'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 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.



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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, 2014, and the changes in its net assets and its cash flows for the year then 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 2013 financial statements, and in our report dated December 11, 2013, 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, 2013, 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 the *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, 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 December 4, 2014, 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 and 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

BOBER, MARKEY, FEDOROVICH & COMPANY
Akron, Ohio

December 8, 2014



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MATURE SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2014 and 2013

| | 2014 | 2013 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | $ 832,092 | $ 1,309,915 |
| Grants and contracts receivable | 898,969 | 569,808 |
| Prepaid expenses | 41,106 | 42,408 |
| TOTAL CURRENT ASSETS | 1,772,167 | 1,922,131 |
| NONCURRENT ASSETS | | |
| Fixed assets, net | 84,412 | 118,825 |
| Deposits | 1,000 | 1,000 |
| TOTAL NONCURRENT ASSETS | 85,412 | 119,825 |
| TOTAL ASSETS | $ 1,857,579 | $ 2,041,956 |
| **LIABILITIES AND NET ASSETS** | | |
| CURRENT LIABILITIES | | |
| Current portion of capital lease | $ - | $ 4,168 |
| Accounts payable | 49,558 | 119,400 |
| Accrued payroll and related expenses | 735,378 | 763,382 |
| Unearned revenue | 37,821 | 267,435 |
| TOTAL CURRENT LIABILITIES | 822,757 | 1,154,385 |
| NET ASSETS | | |
| Unrestricted | 1,034,822 | 887,571 |
| TOTAL LIABILITIES AND NET ASSETS | $ 1,857,579 | $ 2,041,956 |

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



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MATURE SERVICES, INC.
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | Unrestricted 2014 | Total 2013 |
|---|---|---|
| REVENUES, GAINS AND OTHER SUPPORT | | |
| Fees and grants from governmental agencies | $ 11,127,870 | $ 10,624,081 |
| Contributions, including in-kind | 253,215 | 230,545 |
| Program service fees | 487,936 | 396,741 |
| Other public support | 112,624 | 94,902 |
| Interest income | 475 | 418 |
| Other revenue | 21,780 | 19,560 |
| Total revenue | 12,003,900 | 11,366,247 |
| TOTAL REVENUES, GAINS AND OTHER SUPPORT | 12,003,900 | 11,366,247 |
| EXPENSES | | |
| Program services | | |
| Homecare | | |
| Homemaker/home health aide services | 415,116 | 406,895 |
| Chore services | 17,255 | 23,892 |
| Supportive services | 7,122 | 6,075 |
| Integrated addiction and mental health services | 633,389 | 622,381 |
| Employment and training services | 9,049,645 | 8,720,895 |
| Volunteer services | 104,888 | 120,801 |
| Nutrition services | 769,754 | 483,868 |
| Total program services | 10,997,169 | 10,384,807 |
| Supporting services | | |
| Management and general | 833,097 | 816,814 |
| Fundraising | 26,383 | 23,567 |
| Total supporting services | 859,480 | 840,381 |
| Total expenses | 11,856,649 | 11,225,188 |
| CHANGE IN NET ASSETS | 147,251 | 141,059 |
| NET ASSETS AT BEGINNING OF YEAR | 887,571 | 746,512 |
| NET ASSETS AT END OF YEAR | $ 1,034,822 | $ 887,571 |

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



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MATURE SERVICES, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2014 and 2013

| | 2014 | 2013 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | $ 147,251 | $ 141,059 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation | 34,413 | 35,028 |
| Changes in operating assets and liabilities: | | |
| Grants and contracts receivable | (329,161) | 52,917 |
| Prepaid expenses | 1,302 | (4,883) |
| Accounts payable | (69,842) | (1,215) |
| Accrued payroll and related expenses | (28,004) | 81,793 |
| Unearned revenue | (229,614) | 256,122 |
| NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES | (473,655) | 560,821 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of fixed assets | - | (80,797) |
| NET CASH USED IN INVESTING ACTIVITIES | - | (80,797) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Principal payments on capital lease | (4,168) | (4,750) |
| NET CASH USED IN FINANCING ACTIVITIES | (4,168) | (4,750) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (477,823) | 475,274 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 1,309,915 | 834,641 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | $ 832,092 | $ 1,309,915 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | |
| Cash paid for interest | $ 106 | $ 379 |

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



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MATURE SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | Program Services | | | | | | | | Supporting Services | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Homecare Services | | | | | | | | | | | | |
| | Homemaker/ Home Health Aide Services | Chore Services | Supportive Services | Integrated Addiction and Mental Health Services | Employment and Training Services | Volunteer Services | Nutrition Services | Total | Management and General | Fundraising | Total | 2014 Total | 2013 Total |
| Salaries | $ 307,296 | $ 11,252 | $ 6,047 | $ 389,959 | $ 7,212,878 | $ 52,955 | $ 213,749 | $ 8,194,136 | $ 621,738 | $ 1,231 | $ 622,969 | $ 8,817,105 | $ 8,663,556 |
| Payroll taxes and related expenses | 56,116 | 1,644 | 1,003 | 108,382 | 1,077,898 | 13,371 | 49,685 | 1,308,099 | 138,704 | 242 | 138,946 | 1,447,045 | 1,203,047 |
| Total salaries and related expenses | 363,412 | 12,896 | 7,050 | 498,341 | 8,290,776 | 66,326 | 263,434 | 9,502,235 | 760,442 | 1,473 | 761,915 | 10,264,150 | 9,866,603 |
| Contract services | 2,010 | 69 | 16 | 20,874 | 85,737 | 464 | 15,780 | 124,950 | 10,541 | 49 | 10,590 | 135,540 | 187,902 |
| Supplies | 18,153 | 1,039 | - | 26,050 | 268,555 | 15,498 | 399,777 | 729,072 | 30,099 | 23,550 | 53,649 | 782,721 | 478,652 |
| Telephone | 755 | 16 | - | 4,047 | 54,272 | 218 | 5,422 | 64,730 | 2,571 | - | 2,571 | 67,301 | 68,061 |
| Postage | 1,856 | 304 | 24 | 381 | 16,624 | 151 | 1,244 | 20,584 | 1,155 | 1,191 | 2,346 | 22,930 | 24,584 |
| Occupancy | 5,080 | 1,385 | - | 49,400 | 196,966 | 17,002 | 31,279 | 301,112 | 14,273 | - | 14,273 | 315,385 | 339,982 |
| Insurance | 13,475 | 558 | 27 | 14,089 | 50,100 | 2,167 | 11,672 | 92,088 | 5,684 | - | 5,684 | 97,772 | 94,156 |
| Travel | 9,851 | 985 | 5 | 18,338 | 53,501 | 2,337 | 20,286 | 105,303 | 676 | 45 | 721 | 106,024 | 110,565 |
| Training | 110 | - | - | 1,869 | 22,120 | 725 | 515 | 25,339 | 763 | 75 | 838 | 26,177 | 17,105 |
| Physical examinations | 414 | 3 | - | - | 3,819 | - | - | 4,236 | - | - | - | 4,236 | 2,550 |
| Total expenses before depreciation and amortization | 415,116 | 17,255 | 7,122 | 633,389 | 9,042,470 | 104,888 | 749,409 | 10,969,649 | 826,204 | 26,383 | 852,587 | 11,822,236 | 11,190,160 |
| Depreciation | - | - | - | - | 7,175 | - | 20,345 | 27,520 | 6,893 | - | 6,893 | 34,413 | 35,028 |
| Total expenses | $ 415,116 | $ 17,255 | $ 7,122 | $ 633,389 | $ 9,049,645 | $ 104,888 | $ 769,754 | $ 10,997,169 | $ 833,097 | $ 26,383 | $ 859,480 | $ 11,856,649 | $ 11,225,188 |
| Fiscal 2013 expenses | $ 406,895 | $ 23,892 | $ 6,075 | $ 622,381 | $ 8,720,895 | $ 120,801 | $ 483,868 | $ 10,384,807 | $ 816,814 | $ 23,567 | $ 840,381 | $ 11,225,188 | |

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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.

*Supportive Services*

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.

*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. 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.

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.

Unrestricted net assets are those amounts, which are available for use in the Organization's daily operations. Temporarily restricted net assets are those amounts which are stipulated by donors for specific operating purposes or for the acquisition of equipment. It is the Organization's policy to imply a time restriction on gifts of cash received for the acquisition of long-lived assets. The time restriction expires over the useful life of the asset acquired. Temporarily restricted net assets whose restrictions are met in the current year are classified as unrestricted. The Organization has no temporarily or permanently restricted net assets at September 30, 2014 and 2013.

Use of Estimates
In preparing the Organization's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

Statements of Cash Flows
For the purposes of the consolidated statement of cash flows, the Corporation 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 76% and 79% of their revenue from the Department of Labor for each of the years ended September 30, 2014 and 2013, respectively.

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.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements 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, assets and quantify those positions and record reserves. As of September 30, 2014 and 2013, the Organization has identified no uncertain tax positions.

The Organization files informational tax filings in United States Federal and State of Ohio jurisdictions. The Organization is generally no longer subject to tax examinations for years prior to 2010.

Subsequent Events

The Organization has evaluated subsequent events through December 8, 2014, the date the financial statements were available to be issued.

## NOTE 2 - CASH AND CASH EQUIVALENTS

Cash in the amount of $2,737 and $482,395 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, 2014 and 2013, respectively.

The Organization also maintains cash equivalents in a money market fund which are valued at fair value. 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, 2014 | Fair Value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Cash equivalents: | | | | |
| Money market | $ 108,132 | $ - | $ 108,132 | $ - |

| September 30, 2013 | Fair Value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Cash equivalents: | | | | |
| Money market | $ 107,948 | $ - | $ 107,948 | $ - |

The classification of fair value measurement within the hierarchy upon the lowest level of input that is significant to the measurement. Since the Organization's money market fund is not traded on a market exchange, the fair value is determined using valuation models using daily market values, which is a Level 2 input described above.

## NOTE 3 - FIXED ASSETS

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

| | 2014 | 2013 |
|---|---|---|
| Furniture and equipment | $ 731,151 | $ 731,151 |
| Leasehold improvements | 219,960 | 219,960 |
| | 951,111 | 951,111 |
| Less: Accumulated depreciation | (866,699) | (832,286) |
| | $ 84,412 | $ 118,825 |

Depreciation expense charged to operations was $34,413 and $35,028 for the years ended September 30, 2014 and 2013, respectively.

## NOTE 4 - 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 (3.25% at September 30, 2014 and 2013), 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, 2014 and 2013.

## NOTE 5 - LEASES

The Organization leases office space under non-cancelable operating lease agreements, with terms expiring at various dates through 2017. Future minimum lease payments under operating leases are as follows:

| | |
|---|---|
| 2015 | $ 67,545 |
| 2016 | 65,355 |
| 2017 | 36,871 |
| | $ 169,771 |

Rent expense attributed to these leases amounted to $196,010 and $200,202 at September 30, 2014 and 2013, respectively.

Certain leases contain provisions whereby if the Organization loses funding, the lease obligation can be terminated after a specific time period.

## NOTE 6 - 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 7 - 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 $1,053,215 and $1,074,331 for 2014 and 2013, respectively. Donated goods, training, advertising and rent of $80,201 and $84,368 are recognized in the Statement of Activities within the "Contributions, including in-kind" line, for the years ending September 30, 2014 and 2013, respectively.

## NOTE 8 - OHIO DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES AND COUNTY OF SUMMIT ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD

The Organization has recorded $720,898 and $671,506 in revenues from the Ohio Department of Mental Health & Addiction Services & County of Summit Alcohol, Drug Addiction & Mental Health Services Board for fiscal years ending September 30, 2014 and 2013, 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, 2014 and 2013 were $114,875 and $90,715, respectively.

## NOTE 9 - OHIO DEPARTMENT OF AGING

The Organization has been awarded contracts from the Ohio Department of Aging for contract years July 2014 through June 2015 and July 2013 through June 2014 in the amounts of $3,659,510 and $3,690,940, respectively. Revenues earned under these contracts were $3,824,882 and $3,648,953, for the fiscal years ending September 30, 2014 and 2013 respectively. These amounts are included in the Statement of Activities, "Fees and grants from governmental agencies" line.

MATURE SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2014

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA No. | Federal Expenditures |
|---|---|---|
| U.S. DEPARTMENT OF LABOR | | |
| Title V of Older Americans Act--Senior Community Service Employment Program: | | |
| Ohio Department of Aging | 17.235 | $ 3,824,882 |
| United States Department of Labor | 17.235 | 4,852,457 |
| | | 8,677,339 |
| Employment Training Administration--Workforce Initiative Act - WIA Adult Progam and WIA Dislocated Workers: | | |
| Summit County Department of Job and Family Services | 17.258/17.260 | 203,075 |
| Cuyahoga County Workforce Development | 17.258/17.260 | 281,733 |
| | | 484,808 |
| TOTAL U.S. DEPARTMENT OF LABOR | | 9,162,147 |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | |
| Social Services Block Grant Passed Through: | | |
| Summit County Adult Protective Services | 93.667 | 15,318 |
| Area Agency of Aging, 10B, Inc: | | |
| Special Programs for the Aging Title III Part C Nutrition Services | 93.045 | 181,110 |
| Special Programs for the Aging Title III B - Grants for Supportive Services and Senior Centers | 93.044 | 9,193 |
| Nutrition Services Incentive Program | 93.053 | 29,261 |
| County of Summit Alcohol, Drug Addiction and Mental Health Services Board: | | |
| Block Grants for Prevention and Treatment Substant Abuse | 93.959 | 96,239 |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | 331,121 |
| DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | |
| Community Development Block Grants–Entitlement Grants Passed Through: | | |
| City of Akron | 14.218 | 28,224 |
| Summit County Department of Job and Family Services | 14.218 | 2,119 |
| City of Cuyahoga Falls | 14.218 | 5,000 |
| | | 35,343 |
| CORPORATION OF NATIONAL AND COMMUNITY SERVICE | | |
| Retired and Senior Volunteer Program | 94.002 | 98,644 |



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MATURE SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2014

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA No. | Federal Expenditures |
|---|---|---|
| U.S. DEPARMENT OF AGRICULTURE | | |
| Area Agency on Aging, 10B: | | |
| Senior Farmers Market Nutrition Program | 10.576 | $ 58,135 |
| U.S. DEPARMENT OF HOMELAND SECURITY | | |
| Federal Emergency Management Agency: | | |
| Emergency Food and Shelter National Board Program | 97.024 | 3,600 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | $ 9,688,990 |

NOTE 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 OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule my differ from the amounts presented in, or used in the preparation of, the basic financial statements.



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MATURE SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2014

## 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 Circular A-133.
- 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
  17.258 Workforce Initiative Act
- The dollar threshold used to distinguish Type A and Type B programs was $300,000.

## 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.



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# 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 the financial statements of Mature Services, Inc. (the "Organization") as of and for the year ended September 30, 2014, and have issued our report thereon dated December 8, 2014. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement on the Organization'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.



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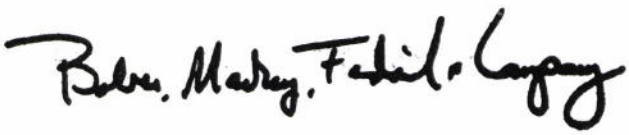
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mature Services, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 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

December 8, 2014



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# INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED WITH OMB CIRCULAR A-133

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 compliance with the types of compliance requirements described in the *Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Mature Services, Inc.'s major federal programs for the year ended September 30, 2014. Mature Services, Inc.'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 laws, regulations, contracts and grants applicable to each of its major federal programs.

## Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Mature Services, Inc.'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 *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Mature Services, Inc.'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 Mature Services, Inc.'s compliance.

## Opinion on Each Major Federal Program

In our opinion, Mature Services, Inc. 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, 2014.



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Report on Internal Control Over Compliance

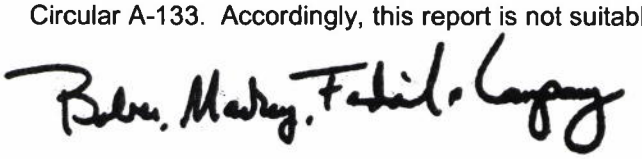
Management of Mature Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Mature Services, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine our 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 OMB Circular A-133, 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 Mature Services, Inc.'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 deficiencies, significant deficiencies or material weaknesses. 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.

Purpose of this Report

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



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Akron, Ohio

December 8, 2014



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