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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa


April 3, 2018

Board of Directors
Step-Up, Inc.
850 North Meridian Street
Indianapolis, IN 46204

We have reviewed the report prepared by Step-Up, Inc. and opined upon by Barnes, Dennig & Co., Ltd., Independent Public Accountants, for the period January 1, 2015 to December 31, 2016. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Step-Up, Inc. as of December 31, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Barnes, Dennig & Co., Ltd. prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.


Paul D. Joyce, CPA
State Examiner

Step-Up, Inc.

**Financial Statements with Supplemental Information
Years Ended December 31, 2016 and 2015,
Independent Auditors' Report**

STEP-UP, INC
December 31, 2016 and 2015

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Independent Auditors' Report

To the Board of Directors
Step-Up, Inc.
Indianapolis, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Step-Up, Inc. (Step-Up), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, 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 of 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 audits. We conducted our audits 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 audits 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 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 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 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 Step-Up, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal and state awards is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits 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 August 3, 2017, on our consideration of Step-Up's internal control over financial reporting and on our tests 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 Step-Up's internal control over financial reporting and compliance.

Burns, Donning & Co., Ltd.

August 3, 2017
Indianapolis, Indiana

STEP-UP, INC

Statements of Financial Position December 31, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	\$ 492,824	\$ 308,606
Grants receivable	197,143	162,631
Furniture and equipment, net	4,391	5,749
	<hr/>	<hr/>
Total assets	\$ 694,358	\$ 476,986
	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 6,757	\$ 3,930
	<hr/>	<hr/>
Total liabilities	6,757	3,930
	<hr/>	<hr/>
Net assets		
Unrestricted	492,977	274,553
Temporarily restricted	194,624	198,503
	<hr/>	<hr/>
Total net assets	687,601	473,056
	<hr/>	<hr/>
Total liabilities and net assets	\$ 694,358	\$ 476,986
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements.

STEP-UP, INC

Statement of Activities Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
Revenues and other support			
Contributions and foundation grants	\$ 37,836	\$ 276,750	\$ 314,586
Government grants	904,508	-	904,508
Other income	1,156	-	1,156
Net assets released from restriction	280,629	(280,629)	-
Total revenues and other support	1,224,129	(3,879)	1,220,250
Expenses			
Program Expenses:			
Community action groups	279,297	-	279,297
Youth At Risk	22,683	-	22,683
Ryan White	90,912	-	90,912
Care coordinator	158,416	-	158,416
I-MAP	272,001	-	272,001
Crime prevention	60,355	-	60,355
Consumer advisory board	3,229	-	3,229
Direct emergency financial assistance	15,074	-	15,074
Community planning group	39,093	-	39,093
Medical monitoring project	8,100	-	8,100
Total program expenses	949,160	-	949,160
Management and general	56,545	-	56,545
Total expenses	1,005,705	-	1,005,705
Change in net assets	218,424	(3,879)	214,545
Net assets - beginning of year	274,553	198,503	473,056
Net assets - end of year	\$ 492,977	\$ 194,624	\$ 687,601

See accompanying notes to financial statements.

STEP-UP, INC

Statement of Activities Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
Revenues and other support			
Contributions and foundation grants	\$ 27,783	\$ 232,838	\$ 260,621
Government grants	822,487	-	822,487
Other income	4,806	-	4,806
Net assets released from restriction	152,127	(152,127)	-
Total revenues and other support	<u>1,007,203</u>	<u>80,711</u>	<u>1,087,914</u>
Expenses			
Program expenses			
Community action groups	267,625	-	267,625
Youth At Risk	45,187	-	45,187
Ryan White	148,052	-	148,052
Care coordinator	46,843	-	46,843
I-MAP	230,583	-	230,583
Direct emergency financial assistance	14,301	-	14,301
Community planning group	65,875	-	65,875
Medical monitoring project	14,350	-	14,350
Other programs	2,999	-	2,999
Total program expenses	<u>835,815</u>	<u>-</u>	<u>835,815</u>
Management and general	<u>121,218</u>	<u>-</u>	<u>121,218</u>
Total expenses	<u>957,033</u>	<u>-</u>	<u>957,033</u>
Change in net assets	50,170	80,711	130,881
Net assets - beginning of year	<u>224,383</u>	<u>117,792</u>	<u>342,175</u>
Net assets - end of year	<u>\$ 274,553</u>	<u>\$ 198,503</u>	<u>\$ 473,056</u>

See accompanying notes to financial statements.

STEP-UP, INC

**Statement of Functional Expenses
Year Ended December 31, 2016**

	Program Services						Consumer Advisory Board
	Community Action Groups	Youth At Risk	Ryan White	Care Coordinator	I-MAP	Crime Prevention	
Salaries and wages	\$ 149,266	\$ 19,146	\$ -	\$ 128,504	\$ 169,471	\$ 51,026	\$ -
Employee benefits and taxes	7,561	1,256	-	11,597	14,340	4,824	-
Total salaries and related expenses	156,827	20,402	-	140,101	183,811	55,850	-
Supplies and expendables	4,313	1,834	628	7,605	33,745	634	-
Conferences, conventions, and travel	9,266	270	658	8,482	3,515	1,462	-
Client assistance	9,879	-	86,725	140	25	2,364	-
Pass through expense	79,058	-	429	-	-	-	3,229
Telephone	1,601	146	341	224	2,419	45	-
Rent	12,250	-	2,100	1,000	18,200	-	-
Professional services and fees	1,500	-	-	689	15,331	-	-
Dues and subscriptions	35	-	-	-	3,700	-	-
Printing and publications	-	-	-	175	1,254	-	-
Postage and shipping	129	31	31	-	31	-	-
Grants and other assistance to organizations in the US	3,600	-	-	-	3,600	-	-
Depreciation	-	-	-	-	-	-	-
Miscellaneous	839	-	-	-	6,370	-	-
Total expenses	\$ 279,297	\$ 22,683	\$ 90,912	\$ 158,416	\$ 272,001	\$ 60,355	\$ 3,229

(Continued)

STEP-UP, INC

Statement of Functional Expenses (Continued) Year Ended December 31, 2016

	Program Services			Total Program Services	Management and General	Total Expenses
	Direct Emergency Financial Assistance	Community Planning Group	Medical Monitoring Project			
Salaries and wages	\$ -	\$ -	\$ -	\$ 517,413	\$ 21,416	\$ 538,829
Employee benefits and taxes	-	-	-	39,578	6,642	46,220
Total salaries and related expenses	-	-	-	556,991	28,058	585,049
Supplies and expendables	-	60	-	48,819	7,163	55,982
Conferences, conventions, and travel	-	-	-	23,653	3,736	27,389
Client assistance	14,684	500	-	114,317	449	114,766
Pass through expense	383	38,533	8,100	129,732	-	129,732
Telephone	-	-	-	4,776	3,653	8,429
Rent	-	-	-	33,550	3,050	36,600
Professional services and fees	-	-	-	17,520	5,099	22,619
Dues and subscriptions	-	-	-	3,735	291	4,026
Printing and publications	-	-	-	1,429	-	1,429
Postage and shipping	7	-	-	229	346	575
Grants and other assistance to organizations in the US	-	-	-	7,200	600	7,800
Depreciation	-	-	-	-	1,358	1,358
Miscellaneous	-	-	-	7,209	2,742	9,951
 Total expenses	 \$ 15,074	 \$ 39,093	 \$ 8,100	 \$ 949,160	 \$ 56,545	 \$ 1,005,705

See accompanying notes to financial statements.

STEP-UP, INC

Statement of Functional Expenses Year Ended December 31, 2015

	Program Services						
	Community Action Groups	Youth At Risk	Ryan White	Care Coordination	I-MAP	Direct Emergency Financial Assistance	Community Planning Group
Salaries and wages	\$ 122,895	\$ 29,930	\$ 67,100	\$ 37,958	\$ 133,514	\$ -	\$ -
Employee benefits and taxes	7,110	2,769	6,494	3,822	6,560	-	-
Total salaries and related expenses	130,005	32,699	73,594	41,780	140,074	-	-
Supplies and expendables	717	221	3,449	2,197	35,203	-	3,130
Conferences, conventions, and travel	3,657	2,480	-	1,148	5,957	-	-
Client assistance	18,511	95	70,925	140	96	13,883	528
Pass through expenses	91,542	-	-	-	1,840	308	62,217
Telephone	2,074	595	84	425	3,993	-	-
Rent	12,615	9,045	-	-	16,250	-	-
Professional services and fees	3,375	-	-	1,022	14,146	-	-
Printing and publications	238	-	-	71	3,114	-	-
Postage and shipping	303	52	-	60	200	-	-
Grants and other assistance to organizations in the US	3,600	-	-	-	4,100	-	-
Depreciation	-	-	-	-	-	-	-
Miscellaneous	988	-	-	-	5,610	110	-
Total expenses	\$ 267,625	\$ 45,187	\$ 148,052	\$ 46,843	\$ 230,583	\$ 14,301	\$ 65,875

(Continued)

STEP-UP, INC

Statement of Functional Expenses (Continued) Year Ended December 31, 2015

	Program Services		Total Program Services	Management and General	Total Expenses
	Medical Monitoring Project	Other Programs			
Salaries and wages	\$ -	\$ -	\$ 391,397	\$ 80,249	\$ 471,646
Employee benefits and taxes	-	-	26,755	11,181	37,936
Total salaries and related expenses	-	-	418,152	91,430	509,582
Supplies and expendables	-	-	44,917	9,920	54,837
Conferences, conventions, and travel	-	-	13,378	2,324	15,702
Client assistance	-	136	106,385	-	106,385
Pass through expenses	14,350	2,207	170,374	-	170,374
Telephone	-	117	7,410	1,748	9,158
Rent	-	239	37,910	-	37,910
Professional services and fees	-	300	18,843	12,550	31,393
Printing and publications	-	-	3,423	-	3,423
Postage and shipping	-	-	615	373	988
Grants and other assistance to organizations in the US	-	-	7,700	200	7,900
Depreciation	-	-	-	740	740
Miscellaneous	-	-	6,708	1,933	8,641
Total expenses	\$ 14,350	\$ 2,999	\$ 835,815	\$ 121,218	\$ 957,033

See accompanying notes to financial statements.

STEP-UP, INC

Statements of Cash Flows Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ 214,545	\$ 130,881
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	1,358	740
Changes in:		
Grants receivable	(34,512)	17,874
Accounts payable	2,827	(7,013)
	<u>184,218</u>	<u>142,482</u>
Net cash provided by (used in) operating activities		
	<u>184,218</u>	<u>142,482</u>
Cash flows from investing activities		
Purchase of fixed assets	<u>-</u>	<u>(6,125)</u>
Net change in cash	184,218	136,357
Cash and cash equivalents - beginning of year	<u>308,606</u>	<u>172,249</u>
Cash and cash equivalents - end of year	<u>\$ 492,824</u>	<u>\$ 308,606</u>

See accompanying notes to financial statements.

STEP-UP, INC

Notes to Financial Statements

NOTE 1 NATURE OF THE ORGANIZATION

Step-Up, Inc. (Step-Up) was incorporated as a not-for-profit organization on March 1, 2002, under the laws of the State of Indiana. Step-Up exists to provide education, training, advocacy, and technical assistance to promote health and well-being; with a focus on HIV/STD prevention and diversity. Step-Up's outreach programs consist of the following:

Community Action Groups (CAG) – A statewide network of grassroots organizations that provide HIV education in their communities according to their specific needs and community standards.

Youth at Risk (YAR) – An HIV/STD prevention education program whose primary target population is incarcerated youth and youth in substance abuse treatment.

Ryan White – Provides HIV/AIDS related health care services to low income individuals in the surrounding Indianapolis region.

Care Coordinator – Provides funds to support staffing who will provide resources to meet medical, social, educational, legal, housing, and psychological needs of HIV-positive residents of Indiana.

Indianapolis Men Advancing Prevention (I-MAP) – Provides extensive outreach and HIV testing to the Men Who Have Sex with Men (MSM) population.

Crime Prevention – Program designed to help reduce crime targeted against the HIV/AIDS community.

Consumer Advisory Board (CAB) – Provides a mechanism through which people with HIV infection can have meaningful input into the development of policies and programs to address their needs.

Direct Emergency Financial Assistance (DEFA) – Provides financial support to HIV/AIDS positive individuals who are in need.

Community Planning Group (CPG) – Program designed to adopt and periodically update a comprehensive HIV prevention plan for the State of Indiana.

Medical Monitoring Project (MMP) – Special HIV disease surveillance project gathering information to get the most accurate picture of healthcare service utilization and illnesses experienced among persons with HIV in Indiana.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – Step-Up maintains its accounting records on the accrual basis.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

STEP-UP, INC

Notes to Financial Statements (Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Furniture and Equipment – Expenditures for furniture and equipment are stated at cost, or, for donations, at fair value at the date of donation. Depreciation is computed using the straight-line basis over the estimated useful lives of the assets as follows:

	<u>Years</u>
Office furniture and equipment	7
Computer equipment	5
Leasehold improvements	5

Federal and State Income Taxes – Step-Up has been granted an exemption from income taxes as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code; therefore, no expense or liability for income taxes has been recognized in the accompanying financial statements. Management believes that Step-Up has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities.

Net Asset Classification – In accordance with accounting standards for financial statements of not-for-profit organizations, unrestricted net assets include all assets over which Step-Up has full discretion as to use. Temporarily restricted net assets include net assets whose use by Step-Up is limited by donor-imposed restrictions that either expire by the passage of time or are fulfilled by Step-Up. As the restrictions are met, the net assets are released from restrictions and included in unrestricted net assets. Contributions for which the restrictions are met in the same period in which the contribution is received are recorded as unrestricted. Permanently restricted net assets, if any, include net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of Step-Up. Step-Up has no permanently restricted net assets.

Receivables – Step-Up's receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Expense Allocation – The costs of providing the various programs and services have been summarized on a functional basis in the statement of activities. Expenses that can be identified with a specific program or management service are allocated directly according to their natural classification. Certain costs have been allocated among the programs and supporting services benefited using both statistical and non-statistical allocation methodologies.

Contributions – Gifts of cash and other assets received without donor designations are reported as unrestricted revenue and net assets. Gifts received with a donor designation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor designated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Gifts that are originally restricted by the donor and for which restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

In-Kind Contributions – In-kind contributions are generally recognized at fair value on the date received. Step-Up received no in-kind contributions in 2016 or 2015.

STEP-UP, INC

Notes to Financial Statements (Continued)

NOTE 3 CONCENTRATION OF CREDIT RISK

Step-Up received a significant amount of its funding from state and federal contracts that are renewable annually. Legislative budgets could significantly impact Step-Up's ability to start new programs or to continue existing programs.

NOTE 4 CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, investments with an original maturity of three months or less are considered to be cash equivalents.

Step-Up maintains its cash in deposit accounts that may at times exceed federally insured limits. Step-Up has approximately \$264,000 and \$63,700 of such excesses as of December 31, 2016 and 2015, respectively. Step-Up has not experienced any losses on its bank accounts and management believes that there is no significant exposure to credit risk related to cash and cash equivalents.

NOTE 5 FURNITURE AND EQUIPMENT

Furniture and equipment as of December 31, are as follows:

	2016	2015
Furniture and equipment	\$ 30,007	\$ 30,007
Less accumulated depreciation	(25,616)	(24,258)
	\$ 4,391	\$ 5,749

NOTE 6 LEASES

On March 1, 2015, Step-Up renewed their lease agreement for office space which extended the term of the lease to February 28, 2020. Monthly rent was \$3,050. In early 2017, Step-up agreed to an addendum to the lease for increased rental space. Construction on the additional space will be completed in 2017. At this time the monthly rent will increase to \$3,988 a month. The lease term was extended to February 28, 2022. Lease expense for 2016 and 2015 was \$36,600 and \$37,910, respectively.

The following is a schedule of future minimum lease payments:

2017	\$	42,228
2018		47,856
2019		47,856
2020		47,856
2021		47,856
	\$	233,652

STEP-UP, INC

Notes to Financial Statements (Continued)

NOTE 7 TEMPORARILY RESTRICTED NET ASSETS

12/31/2016				
Grant	TR Amount 12/31/2015	Funds Received in 2016	Funds Spent in 2016	TR Amount at 12/31/16
Dehaan Foundation	\$ -	\$ 65,000	\$ (65,000)	\$ -
Gilead Science	25,000	20,000	-	45,000
Indiana AIDS Fund	65,042	-	-	65,042
The Health Foundation - DEFA	700	10,000	(10,074)	626
The Health Foundation - IMAP	-	80,750	(80,750)	-
The Health Foundation - Capacity	38,622	-	(13,450)	25,172
Indianapolis Foundation	-	35,000	(35,000)	-
AIDS Walk	-	5,000	(5,000)	-
Living Violence Free	-	11,000	(11,000)	-
Crime Prevention	69,139	50,000	(60,355)	58,784
	\$ 198,503	\$ 276,750	\$ (280,629)	\$ 194,624

12/31/2015				
Grant	TR Amount 12/31/2014	Funds Received in 2015	Funds Spent in 2015	TR Amount at 12/31/15
Two Oaks Fund	\$ -	\$ 20,000	\$ (20,000)	\$ -
Gilead Science	-	25,000	-	25,000
Indiana AIDS Fund	65,042	-	-	65,042
The Health Foundation - DEFA	-	10,000	(9,300)	700
The Health Foundation - IMAP	22,750	68,250	(91,000)	-
The Health Foundation - Capacity	-	57,000	(18,378)	38,622
The Health Foundation - Other	-	7,588	(7,588)	-
AIDS Walk	-	5,000	(5,000)	-
Crime Prevention	30,000	40,000	(861)	69,139
	\$ 117,792	\$ 232,838	\$ (152,127)	\$ 198,503

NOTE 8 SUBSEQUENT EVENTS

Subsequent events have been evaluated through _____, 2017, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

SUPPLEMENTAL INFORMATION

STEP-UP, INC

Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2016

Federal Grantor/ Pass-through Grantor/ Program Title/ Grant Name	Grant Term	Federal CFDA Number	Grant Number	Total Grant Amount	Grant Reimbursements Receivable (Payable) at Beginning of Year	Receipts	Expenditures	Grant Reimbursements Receivable (Payable) at End of Year
Department of Health and Human Services								
Consumer Advisory Board	6/1/14 - 3/31/16	93.917	A70-4-112325	\$ 25,000	\$ -	\$ 537	\$ 537	\$ -
	7/1/16 - 3/31/17		16268	12,500	-	3,375	3,375	-
Medical Monitoring Project	7/1/16 - 5/31/17	93.944	16274	19,545	-	8,748	8,748	-
Ryan White - Part A	3/1/15 - 2/28/16	93.914	H89HA11463	286,935	66,910	131,788	64,878	-
	3/1/16 - 2/28/17			357,544	-	167,432	290,328	122,896
Ryan White - Part C	1/1/15 - 12/31/15	93.918	H76HA00112	101,563	19,136	19,136	-	-
	1/1/16 - 12/31/16			64,400	-	64,296	64,296	-
Stamp Out Syphilis	1/1/15 - 12/31/15	93.977	13595	5,000	2,145	2,145	-	-
	1/1/16 - 12/31/16		15184	7,000	-	6,060	7,000	940
Community Planning Group	1/1/15 - 12/31/15	93.940	A70-5-198153	107,280	13,529	13,529	-	-
	1/1/16 - 12/31/16		15120	90,000	-	56,063	90,000	33,937
Total Department of Health and Human Services				\$ 1,076,767	\$ 101,720	\$ 473,109	\$ 529,162	\$ 157,773
Indiana State Department of Health								
Community Action Groups	7/1/15 - 6/30/16		13986	200,000	\$ 34,317	\$ 144,393	\$ 110,076	\$ -
	7/1/16 - 6/30/17			206,000	-	64,861	89,431	24,570
Care Coordination	7/1/15 - 6/30/16		14112	135,000	24,781	105,699	80,918	-
	7/1/15 - 6/30/16			200,000	-	80,121	94,921	14,800
Total Indiana State Department of Health				\$ 741,000	\$ 59,098	\$ 395,074	\$ 375,346	\$ 39,370

STEP-UP, INC

Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2015

Federal Grantor/ Pass-through Grantor/ Program Title/ Name	Grant	Grant Term	Federal CFDA Number	Grant Number	Total Grant Amount	Grant Reimbursements Receivable (Payable) at Beginning of Year	Receipts	Expenditures	Grant Reimbursements Receivable (Payable) at End of Year
Department of Health and Human Services									
Consumer Advisory Board		6/1/14 - 3/31/16	93.917	A70-4-112325	\$ 25,000	\$ -	\$ 238	\$ 238	\$ -
Medical Monitoring Project		8/25/14 - 5/31/15	93.944	A70-5-056037	23,441	2,916	18,414	15,498	-
Ryan White - Part A		3/1/14 - 2/28/15	93.914	H89HA11463	224,840	62,332	121,194	58,862	-
		3/1/14 - 2/28/15			12,000	1,825	4,756	2,931	-
		3/1/15 - 2/28/16			286,935	-	154,889	221,799	66,910
Ryan White - Part C		1/1/15 - 12/31/15	93.918	H76HA00112	101,563	-	82,308	101,444	19,136
Stamp Out Syphilis		1/1/14 - 12/31/14	93.977	A70-4-106100	7,000	2,620	2,620	-	-
		1/1/15 - 12/31/15		13595	5,000	-	2,145	4,290	2,145
Community Planning Group		1/1/14 - 12/31/14	93.940	A70-3-112315	90,000	28,314	28,314	-	-
		1/1/15 - 12/31/15		A70-5-198153	107,280	-	80,222	93,751	13,529
Total Department of Health and Human Services					\$ 883,059	\$ 98,007	\$ 495,100	\$ 498,813	\$ 101,720
Department of Housing and Urban Development									
Emergency Solutions Grant		1/1/14 - 12/31/14	14.231	1300001480	\$ 34,487	\$ 32,778	\$ 32,778	\$ -	\$ -
Total Department of Housing and Urban Development					\$ 34,487	\$ 32,778	\$ 32,778	\$ -	\$ -
Indiana State Department of Health									
Community Action Groups		7/1/14 - 6/30/15		A70-5-112342	\$ 225,000	\$ 34,579	\$ 157,424	\$ 122,845	\$ -
		7/1/15 - 6/30/16		13986	200,000	-	55,607	89,924	34,317
Care Coordination		7/1/14 - 6/30/15		A70-3-112243	45,000	7,479	30,773	23,294	-
		7/1/15 - 6/30/16		14112	135,000	-	29,301	54,082	24,781
Total Indiana State Department of Health					\$ 605,000	\$ 42,058	\$ 273,105	\$ 290,145	\$ 59,098

**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
Step-Up, Inc.
Indianapolis, Indiana

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 Step-Up, Inc., which comprise the statements of financial position as of December 31, 2016 and 2015, 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 August 3, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Step-Up, Inc.'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 Step-Up, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Step-Up, Inc.'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 Step-Up, Inc.'s financial statements are free of 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*.

**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*
(Continued)**

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

Burns, Denning & Co., Ltd.

August 3, 2017
Indianapolis, Indiana