

**STAR C CORPORATION**  
**(a nonprofit organization)**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Star C Corporation  
Atlanta, Georgia

We have audited the accompanying financial statements of Star C Corporation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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.

### ***Auditor's Responsibility***

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Star C Corporation as of June 30, 2021, 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 Star C Corporation's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 22, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

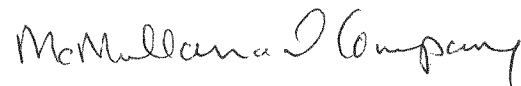
### **Other Matters**

#### *Other Information*

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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements 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 the 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 July 11, 2022, on our consideration of Star C Corporation'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Star C Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Star C Corporation's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

July 11, 2022  
Duluth, Georgia

**STAR C CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

**ASSETS**

	<b><u>2021</u></b>	<b><u>2020</u></b>
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 748,608	\$ 506,635
Accounts receivable, net of allowance for doubtful accounts of \$0 at June 30, 2021 and 2020	2,917	5,833
Prepaid expenses	14,400	-
Grant receivable, net of allowance for uncollectible contributions of \$0 at June 30, 2021 and 2020	-	10,000
<b>TOTAL ASSETS</b>	<b>\$ 765,925</b>	<b>\$ 522,468</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES:</b>		
Accounts payable	\$ 8,693	\$ 4,152
Deferred revenue	223,503	-
Paycheck Protection Program loan payable	-	26,867
<b>Total Liabilities</b>	<b>232,196</b>	<b>31,019</b>
<b>NET ASSETS:</b>		
Without donor restrictions	533,729	159,635
With donor restrictions	-	331,814
	533,729	491,449
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 765,925</b>	<b>\$ 522,468</b>

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

**STAR C CORPORATION**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>	
			<u>2021</u>	<u>2020</u>
<b><u>SUPPORT AND REVENUE</u></b>				
Support:				
Contributions	\$ 82,010	\$ -	\$ 82,010	\$ 242,028
Grants	44,717	6,509,130	6,553,847	270,000
Donated services	5,845	-	5,845	7,600
	<u>132,572</u>	<u>6,509,130</u>	<u>6,641,702</u>	<u>519,628</u>
Total support				
Revenue:				
Program services	133,917	-	133,917	140,083
	<u>133,917</u>	<u>-</u>	<u>133,917</u>	<u>140,083</u>
Total revenue				
Net assets released from restrictions	6,840,944	(6,840,944)	-	-
Total support and revenue	<u>7,107,433</u>	<u>(331,814)</u>	<u>6,775,619</u>	<u>659,711</u>
<b><u>EXPENSES</u></b>				
Program services	6,555,903	-	6,555,903	229,526
Management and general	145,978	-	145,978	122,551
Fundraising	31,458	-	31,458	-
	<u>6,733,339</u>	<u>-</u>	<u>6,733,339</u>	<u>352,077</u>
Total expenses				
Change in net assets	374,094	(331,814)	42,280	307,634
Net assets, beginning of year	<u>159,635</u>	<u>331,814</u>	<u>491,449</u>	<u>183,815</u>
Net assets, end of year	<u>\$ 533,729</u>	<u>\$ -</u>	<u>\$ 533,729</u>	<u>\$ 491,449</u>

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

**STAR C CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 42,280	\$ 307,634
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of paycheck protection loan	(26,867)	-
Decrease (increase) in accounts receivable	2,916	(2,916)
Increase in prepaid expenses	(14,400)	-
Decrease in grant receivable	10,000	10,000
Increase (decrease) in accounts payable	4,541	(6,493)
Increase in deferred revenue	<u>223,503</u>	<u>-</u>
Net cash provided by operating activities	241,973	308,225
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Funds advanced by Paycheck Protection Program	<u>-</u>	<u>26,867</u>
Net increase in cash	241,973	335,092
Cash, beginning of period	<u>506,635</u>	<u>171,543</u>
Cash, end of period	<u>\$ 748,608</u>	<u>\$ 506,635</u>

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

**STAR C CORPORATION**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Totals</u>	
				<u>2021</u>	<u>2020</u>
Salaries & benefits:					
Salaries	\$ 200,408	\$ 58,664	\$ -	\$ 259,072	\$ 226,840
Payroll taxes	16,676	4,860	-	21,536	17,353
	217,084	63,524	-	280,608	244,193
Total salaries and benefits					
Other expenses:					
Contract labor	241,598	34,715	31,458	307,771	14,005
Eviction relief	6,048,172	29,698	-	6,077,870	40,657
Professional fees	-	6,100	-	6,100	5,900
Rent	-	7,800	-	7,800	-
Computer supplies	20,337	-	-	20,337	-
Website fees	2,205	945	-	3,150	8,252
Insurance	16,673	1,853	-	18,526	13,647
Supplies	6,076	1,187	-	7,263	6,947
After-school programs	-	-	-	-	12,985
Meetings	179	74	-	253	4,418
Miscellaneous	3,579	82	-	3,661	1,073
	6,338,819	82,454	31,458	6,452,731	107,884
Total other expenses					
Total expenses	\$ 6,555,903	\$ 145,978	\$ 31,458	\$ 6,733,339	\$ 352,077

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



**STAR C CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Star C Corporation (the Organization) was formed in June 2014 to provide educational and wellness programs to residents of low-income and blighted housing projects.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Support and Revenue

The Organization's primary sources of funding are contributions from private parties and businesses, service fees received from participating apartment communities, and grants from foundations and other sources. For the years ended June 30, 2021 and 2020, the apartment communities contributed approximately 32% and 41% of the costs of the program, respectively.

Contributions

All contributions are recorded as net assets without donor restrictions, unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions that increases that net asset class. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

-CONTINUED-

**STAR C CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Trade Accounts Receivable

Trade accounts receivable is recorded net of the allowance for doubtful accounts. The allowance is estimated from historical performance, projections of trends and analysis of specific troubled accounts.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. There was no unrelated business income for the fiscal years ended June 30, 2021 and 2020.

The Organization's Returns of Organizations Exempt from Income Tax (Form 990) for the years ended June 30, 2018, 2019 and 2020 are subject to examination by the IRS, generally for three years after they are filed.

Cash Flows

For the purposes of the statement of cash flows, cash is defined as cash in banks and investments with an original maturity of three months or less when purchased.

**NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

The Organization plans to maintain an adequate level of unrestricted net assets to support the organization's day-to-day operations in the event of unforeseen shortfalls. The Organization's liquid assets consist of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$748,608	\$506,635
Accounts receivable due within one year	2,917	5,833
Grants receivable due within one year	-	10,000
Less accounts payable due within one year	( 8,693)	( 4,152)
Less net assets with donor restrictions	-	(331,814)
	<u>\$742,832</u>	<u>\$186,502</u>

The Organization manages its liquidity by analyzing cash needs for general expenditures within one year and determining necessary steps to maintain its liquidity position.

**STAR C CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 4 – PAYCHECK PROTECTION PROGRAM**

On May 4, 2020, the Organization received loan proceeds in the amount of \$26,867 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides loans to qualifying businesses. The loans and accrued interest are forgivable as long as the borrower uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll level. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral for the first six months. The Organization received total forgiveness of the loan in 2021.

**NOTE 5 – GRANTS**

The Organization has been awarded emergency funding from through the CARES Act to assist tenants who have been adversely affected by the COVID-19 pandemic. Funds totaling \$4,836,953 were received to provide rent relief for low-income families living in qualified apartment communities in. The award also includes \$120,000 for professional services relating to the award. Any funds not distributed by December 30, 2020 will be forfeited. As of June 30, 2021 all funds had been expended.

The Organization also received funding from the Emergency Rental Assistance Program from Cobb County as provided by the U.S. Treasury. The funds are to be used for rental payments, as well as utilities and other household expenses, by those affected by the COVID-19 pandemic. The amount awarded totaled \$1,533,630. As of June 30, 2021, \$1,310,127 of the funds had been expended. The remaining \$223,503 is reflected as deferred revenue on the statement of financial position as of June 30, 2021.

**NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes:

	<u>2021</u>	<u>2020</u>
Eviction relief	\$ -	\$ 303,343
Future time periods	-	10,000
After school expansion	-	18,471
	<u>\$ -</u>	<u>\$331,814</u>

**STAR C CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 7 – RELEASE OF ASSET RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes.

	<u>2021</u>	<u>2020</u>
Eviction relief	\$6,812,473	\$40,657
Passage of time	10,000	10,000
Release of funds by donor	18,471	-
After school expansion	<u>-</u>	<u>20,329</u>
	<u>\$6,840,944</u>	<u>\$50,657</u>

**NOTE 8 – CONTRACT LABOR**

Contract labor for 2021 and 2020 includes \$5,845 and \$7,600, respectively, of services donated by various professionals. These services are recorded at their fair market value for the level of service provided.

**NOTE 9 – FUNCTIONAL EXPENSE ALLOCATION**

Most expenses are directly allocated to the three functions, Program Services, Management and General and Fundraising depending on the purpose of the expense. Salaries and payroll taxes are allocated based on the time spent on each function by personnel. Expenses such as utilities and insurance are allocated to each function based on the amount of space used for each function.

**NOTE 10 – RELATED PARTY TRANSACTIONS**

Three of the Organization’s board members are partners in the ownership of three apartment complexes to which the Organization provides services. During the years ended June 30, 2021 and 2020, the apartment complexes paid the Organization \$96,000 and \$108,000, respectively.

**NOTE 11 – PRIOR YEAR INFORMATION**

The statements of activities and functional expenses include certain prior year summarized comparative information in total but not by asset/program. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended June 30, 2020, from which the information was derived.

**STAR C CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 12 – RISKS AND UNCERTAINTIES**

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic. Star C relies on financial gifts for funding a portion of its operations. Due to the economic impact of the situation, individuals facing job loss or a decrease in the value of their investments could reduce contributions, and corporate and foundation giving could be impacted as fewer grants are offered. Management is monitoring the situation as it evolves. No adjustments have been made to these financial statements as a result of this uncertainty.

**NOTE 13 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through July 11, 2022, which is the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**STAR C CORPORATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of the Treasury				
Coronavirus Relief Fund	21.019		\$ 4,374,380	\$ -
Emergency Rental Assistance Program	21.023		1,236,497	-
			<hr/>	
Total Expenditures of Federal Awards			<u>\$ 5,610,877</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Star C Corporation under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of Star C Corporation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Star C Corporation.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - INDIRECT COST RATE**

Star C Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.





**STAR C CORPORATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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Dollar threshold used to distinguish  
between Type A and Type B Programs                      \$ 750,000

Auditee qualified as low-risk auditee?                            yes                        X  no

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**Section II.    Financial Statement Findings**

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None reported.

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**Section III.   Federal Awards Findings and Questioned Costs**

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None reported.

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**Section IV.   Follow up on the Status of Prior Year Findings and Questioned Costs**

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Not applicable as no Uniform Guidance audit was required in the previous year.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Star C Corporation  
Marietta, Georgia

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 Star C Corporation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 11, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Star C Corporation's internal control over financial reporting (internal control) as a basis for designing 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 Star C Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Star C Corporation'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 Star C Corporation'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 financial statements. 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.

A handwritten signature in black ink, appearing to read "McMullan-Stoney". The signature is fluid and cursive, with a long horizontal stroke at the end.

CERTIFIED PUBLIC ACCOUNTANTS

July 11, 2022  
Duluth, Georgia

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

To the Board of Directors  
Star C Corporation, Inc.  
Marietta, Georgia

**Report on Compliance for Each Major Federal Program**

We have audited Star C Corporation, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Star C Corporation, Inc.'s major federal programs for the year ended June 30, 2021. Star C Corporation, Inc.'s major federal programs are identified in the summary of auditor's 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Star C Corporation, 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 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 Star C Corporation, 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 of Star C Corporation, Inc.'s compliance.

***Opinion on Each Major Federal Program***

In our opinion, Star C Corporation, 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 June 30, 2021.

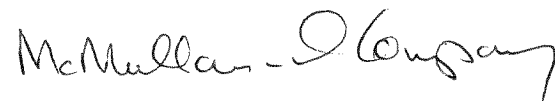
## Report on Internal Control over Compliance

Management of Star C Corporation, 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 Star C Corporation, 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 the 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 Star C Corporation, 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 a 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.



CERTIFIED PUBLIC ACCOUNTANTS

July 11, 2022  
Duluth, Georgia