

STARC OF LOUISIANA, INC.

Audits of Financial Statements

June 30, 2025 and 2024

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Independent Auditor's Report

To the Board of Directors
STARC of Louisiana, Inc.
Slidell, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of STARC of Louisiana, Inc. (STARC) (a Louisiana not-for-profit corporation), which comprise the statements of financial position as of June 30, 2025 and 2024, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of STARC as of June 30, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of STARC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about STARC's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 STARC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about STARC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head 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 GAAS. 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 9, 2025 on our consideration of STARC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of STARC'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 STARC's internal control over financial reporting and compliance.



Covington, LA
December 9, 2025

STARC OF LOUISIANA, INC.
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 5,662,035	\$ 4,912,384
Certificates of Deposit, Short-Term	652,244	1,285,132
Accounts Receivable	543,804	538,871
Prepaid Expenses	162,744	149,436
Total Current Assets	7,020,827	6,885,823
Property and Equipment		
Buildings and Improvements	6,834,917	6,527,234
Furniture and Equipment	222,453	205,689
Vehicles	1,523,558	1,348,234
	8,580,928	8,081,157
Less: Accumulated Depreciation	(4,117,980)	(3,903,919)
	4,462,948	4,177,238
Land	932,718	932,648
Construction in Progress	25,944	5,047
Total Property and Equipment, Net	5,421,610	5,114,933
Other Assets		
Investments	648,986	604,598
Bed Licenses	160,000	160,000
Total Other Assets	808,986	764,598
Total Assets	\$ 13,251,423	\$ 12,765,354

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

STARC OF LOUISIANA, INC.
Statements of Financial Position (Continued)
June 30, 2025 and 2024

	2025	2024
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 98,542	\$ 20,497
Accrued Salaries, Wages, and Taxes	789,525	433,599
Accumulated Paid Leave	198,062	199,005
Deferred Revenue	2,122,999	2,164,329
Current Maturities of Long-Term Debt	117,120	110,823
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Total Current Liabilities	3,326,248	2,928,253
Other Liabilities		
Long-Term Debt, Net of Current Maturities	701,490	896,769
	<hr/>	<hr/>
Total Other Liabilities	701,490	896,769
	<hr/>	<hr/>
Total Liabilities	4,027,738	3,825,022
Net Assets		
Without Donor Restrictions		
Undesignated	9,206,041	8,274,472
Board Designated	17,644	665,860
	<hr/>	<hr/>
Total Net Assets	9,223,685	8,940,332
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Total Liabilities and Net Assets	\$ 13,251,423	\$ 12,765,354
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The accompanying notes are an integral part of these financial statements.

STARC OF LOUISIANA, INC.
Statements of Activities
For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support						
Government Grants and Contracts	\$ 5,918,740	\$ -	\$ 5,918,740	\$ 5,663,627	\$ -	\$ 5,663,627
Ad Valorem Taxes	2,577,012	-	2,577,012	2,527,395	-	2,527,395
Private Providers	684,928	-	684,928	726,668	-	726,668
Provider Relief Funds	-	-	-	428,001	-	428,001
Sale of Services	190,077	-	190,077	177,089	-	177,089
Fundraising	173,776	-	173,776	184,560	-	184,560
Donations and Private Grants, Net	132,654	-	132,654	136,729	-	136,729
Interest, Dividends, and Gains on Investments	125,540	-	125,540	138,921	-	138,921
Other	89,291	-	89,291	53,300	-	53,300
United Way Designations	1,213	-	1,213	11,762	-	11,762
	9,893,231	-	9,893,231	10,048,052	-	10,048,052
Net Assets Released from Restrictions	-	-	-	-	-	-
Total Revenues, Gains, and Other Support	9,893,231	-	9,893,231	10,048,052	-	10,048,052
Expenses						
Program Services	7,720,819	-	7,720,819	7,657,092	-	7,657,092
Supporting Services	1,889,059	-	1,889,059	1,690,915	-	1,690,915
Total Expenses	9,609,878	-	9,609,878	9,348,007	-	9,348,007
Change in Net Assets	283,353	-	283,353	700,045	-	700,045
Net Assets, Beginning of Year	8,940,332	-	8,940,332	8,240,287	-	8,240,287
Net Assets, End of Year	\$ 9,223,685	\$ -	\$ 9,223,685	\$ 8,940,332	\$ -	\$ 8,940,332

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

STARC OF LOUISIANA, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services					Total Program Services	Supporting Services		Total Supporting Services	Total
	Adult Habilitation	Infant Habilitation	Residential Services	Waivered Services	Commercial Business Services		General and Administrative	Board and Fundraising		
Salaries, Wages and Benefits	\$ 1,031,528	\$ 16,022	\$ 1,507,294	\$ 2,021,257	\$ 169,177	\$ 4,745,278	\$ 1,133,020	\$ 51,161	\$ 1,184,181	\$ 5,929,459
Contract Services	88,833	251	258,631	24,407	17,509	389,631	122,749	12,000	134,749	524,380
Occupancy	176,400	61	174,012	70,287	3,602	424,362	69,129	2,121	71,250	495,612
Insurance	121,687	4,063	166,787	69,339	33,421	395,297	62,304	12,683	74,987	470,284
Depreciation and Amortization	190,907	-	148,170	33,010	8,716	380,803	67,927	-	67,927	448,730
Payroll Taxes	78,102	945	106,109	143,018	12,948	341,122	73,837	3,876	77,713	418,835
Supplies	52,829	47	208,611	10,054	6,441	277,982	13,983	556	14,539	292,521
Day Service Charges	-	-	217,375	-	-	217,375	-	-	-	217,375
State Bed Fees	-	-	187,970	-	-	187,970	-	-	-	187,970
Travel and Transportation	49,734	-	46,438	14,518	4,270	114,960	21,725	32	21,757	136,717
Bad Debt Expense	-	-	-	-	-	-	113,181	-	113,181	113,181
Telephone	31,786	147	24,131	15,861	1,433	73,358	31,677	982	32,659	106,017
Professional Services	129	-	45,510	1,500	-	47,139	28,685	-	28,685	75,824
Expenditure of Donations	9,160	-	7,837	3,503	11,777	32,277	23,774	4,914	28,688	60,965
Conferences and Training	10,969	-	13,327	20,637	401	45,334	7,864	92	7,956	53,290
Miscellaneous	9,187	-	10,382	3,537	6,005	29,111	12,053	4,487	16,540	45,651
Interest	18,820	-	-	-	-	18,820	14,247	-	14,247	33,067
Total	\$ 1,870,071	\$ 21,536	\$ 3,122,584	\$ 2,430,928	\$ 275,700	\$ 7,720,819	\$ 1,796,155	\$ 92,904	\$ 1,889,059	\$ 9,609,878

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

STARC OF LOUISIANA, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services					Total Program Services	Supporting Services		Total Supporting Services	Total
	Adult Habilitation	Infant Habilitation	Residential Services	Waiverd Services	Commercial Business Services		General and Administrative	Board and Fundraising		
Salaries, Wages, and Benefits	\$ 973,648	\$ 26,521	\$ 1,261,166	\$ 2,276,606	\$ 138,758	\$ 4,676,699	\$ 1,095,691	\$ 64,707	\$ 1,160,398	\$ 5,837,097
Contract Services	34,834	-	474,392	24,359	23,644	557,229	86,924	4,000	90,924	648,153
Occupancy	130,990	166	203,738	63,747	579	399,220	60,911	5,284	66,195	465,415
Insurance	118,038	3,685	149,143	81,065	35,308	387,239	53,410	10,983	64,393	451,632
Depreciation and Amortization	156,528	-	150,675	29,092	11,608	347,903	66,148	-	66,148	414,051
Payroll Taxes	70,243	1,056	88,590	137,044	10,532	307,465	68,493	5,024	73,517	380,982
Supplies	41,212	44	194,146	7,425	4,461	247,288	15,979	153	16,132	263,420
Day Service Charges	-	-	234,876	-	-	234,876	-	-	-	234,876
State Bed Fees	-	-	189,148	-	-	189,148	-	-	-	189,148
Travel and Transportation	37,672	-	50,313	15,787	11,894	115,666	16,756	11	16,767	132,433
Telephone	29,161	181	22,272	16,074	1,451	69,139	29,461	641	30,102	99,241
Professional Services	463	-	45,687	250	-	46,400	29,738	2,732	32,470	78,870
Miscellaneous	4,815	-	6,301	22,710	8,163	41,989	16,865	18,372	35,237	77,226
Interest	22,320	-	-	-	-	22,320	17,008	-	17,008	39,328
Conferences and Training	4,070	-	3,231	7,210	-	14,511	4,874	-	4,874	19,385
Fundraising	-	-	-	-	-	-	-	16,750	16,750	16,750
Total	\$ 1,623,994	\$ 31,653	\$ 3,073,678	\$ 2,681,369	\$ 246,398	\$ 7,657,092	\$ 1,562,258	\$ 128,657	\$ 1,690,915	\$ 9,348,007

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

STARC OF LOUISIANA, INC.
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in Net Assets	\$ 283,353	\$ 700,045
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	451,570	416,892
Gain on Disposal of Property and Equipment	(34,463)	(11,000)
Gain on Investments	(44,388)	(72,631)
(Increase) Decrease in Operating Assets		
Accounts Receivable	(4,933)	8,614
Unconditional Promises to Give, Net	-	25,000
Prepaid Expenses	(13,308)	(21,036)
Increase (Decrease) in Operating Liabilities		
Accounts Payable	78,045	(105,609)
Accrued Salaries, Wages, and Taxes	355,926	83,802
Accumulated Paid Leave	(943)	(14,485)
Deferred Revenue	(41,330)	(156,780)
Net Cash Provided by Operating Activities	1,029,529	852,812
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(738,346)	(804,155)
Purchases of Construction in Progress	(20,897)	(5,047)
Proceeds from Sale of Investments	-	560,363
Proceeds from Sale of Property and Equipment	38,300	11,000
Net Cash Used in Investing Activities	(720,943)	(237,839)
Cash Flows from Financing Activities		
Purchase of Certificates of Deposits, Net	632,888	(163,238)
Principal Payments on Long-Term Debt	(191,823)	(186,873)
Net Cash Provided by (Used in) Financing Activities	441,065	(350,111)
Net Increase in Cash and Cash Equivalents	749,651	264,862
Cash and Cash Equivalents, Beginning of Year	4,912,384	4,647,522
Cash and Cash Equivalents, End of Year	\$ 5,662,035	\$ 4,912,384
Supplemental Disclosure of Cash Flow Information		
Cash Paid During the Year for Interest	\$ 33,067	\$ 39,328

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

STARC OF LOUISIANA, INC.

Notes to Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

STARC of Louisiana, Inc. (STARC) (a Louisiana not-for-profit corporation), was incorporated on June 20, 1968. STARC provides the following program services to citizens of St. Tammany Parish with developmental and/or intellectual disabilities:

- Adult Habilitation Services - Assists individuals in acquiring and retaining skills needed for independence, recreation, and interpersonal proficiencies. Individuals must be 18 years of age or older and have a developmental and/or intellectual disability diagnosis. Individuals must have funding for services that can include waiver, contractual, and private pay.
- Infant Habilitation Services - Provides services to families with infants and toddlers from birth to 36 months of age who have a medical condition likely to result in a cognitive, motor, vision, hearing, communication, social-emotional, and/or adaptive developmental delay(s), or who have already been diagnosed with one or more developmental delays. Early Steps services are designed to improve a family's capacity to enhance a child's development. These services are provided in the child's natural environment, such as the child's home, childcare, or any other community setting typical for children from birth to 36 months of age.
- Residential Services - Residential community homes provide opportunities for individuals to live in a family-style home in a typical neighborhood. Trained staff members provide care and support for activities of daily living, socialization, community access, and health care coordination and services. Individuals must be age 16 or older and have a primary diagnosis of developmental and/or intellectual disability.
- Waivered Services - Medicaid home- and community-based waiver programs allow people greater flexibility to choose where they want to live and to use services and supports that best suit their needs. Services provided must represent a least-restrictive treatment alternative.
- Commercial Business Services - Provides a center-based environment at licensed facilities in Slidell and Mandeville, where STARC's seasoned staff work closely with individuals to help them develop, increase, and retain skills necessary for the performance of productive and meaningful work.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and liabilities.

STARC OF LOUISIANA, INC.

Notes to Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Basis of Presentation

STARC follows the guidance of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). STARC is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, STARC considers all highly liquid investments with an original maturity of three months or less, including certificates of deposit, to be cash equivalents. As of June 30, 2025 and 2024, \$242,026 and \$0-, respectively, met this criteria to be classified as a cash equivalent.

Accounts Receivable

STARC carries its accounts receivables net of an allowance for credit losses. The measurement and recognition of credit losses involves the use of judgment.

STARC OF LOUISIANA, INC.

Notes to Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Accounts Receivable (Continued)

Management's assessment of expected credit losses includes consideration of current and expected economic conditions, market and industry factors affecting STARC's customers (including their financial condition), the aging of account balances, historical credit loss experience, customer concentrations, and customer creditworthiness. Management evaluates its experience with historical losses and then applies this historical loss ratio to financial assets with similar characteristics. STARC's historical loss ratio or its determination of risk pools may be adjusted for changes in customer, economic, market or other circumstances. STARC may also establish an allowance for credit losses for specific receivables when it is probable that the receivable will not be collected and the loss can be reasonably estimated. Amounts are written off against the allowance when they are considered to be uncollectible, and reversals of previously reserved amounts are recognized if a specifically reserved item is settled for an amount exceeding the previous estimate. There was no allowance for credit losses recorded as of June 30, 2025 and June 30, 2024. STARC recorded provisions for credit losses totaling \$113,181 and \$-0- during the years ended June 30, 2025 and June 30, 2024, respectively.

Contributions and Promises to Give

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Pledges are expected to be collected over a five-year period. Management feels any discounts on pledges expected to be collected after one year are not material. STARC determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. As a result, pledges are recorded at the net realizable value. There were no promises to give as of June 30, 2025 and June 30, 2024.

Investments

STARC participates in various investment pools managed by the Northshore Community Foundation (NCF), which are currently managed by one investment advisor that is authorized to allocate the investment portfolio under their control within policy guidelines amongst equity, fixed income, cash, and alternative assets. The advisor selects the investment managers to accomplish the investment objectives that provide for general operating needs of STARC. NCF funds are managed as part of a pool of investment accounts and are reported at net asset value (NAV) per share. Such value represents STARC's share of the investment pool. Investment gains and losses are not provided in detail and realized gains and losses are shown combined on the quarterly investment statement.

Investments held in the pools are stated at fair value based upon net asset values provided by the external investment managers. Management believes the carrying amount of these investments is a reasonable estimate of their fair value. Because these investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been reported had a ready market for such investments existed. Such differences could be material.

STARC OF LOUISIANA, INC.

Notes to Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Investments (Continued)

STARC has investments in Louisiana Asset Management Pool (LAMP). The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. The valuation techniques utilized by LAMP are considered Level 2 inputs.

Net investment return reported in the statements of activities, consists of interest and dividend income, and gains and losses, net of investment expenses.

Revenue Recognition

STARC recognizes revenue from contracts with customers when commercial substance exists, approvals have been obtained and commitment to perform exists, rights of both parties and payment terms are identifiable, and collection is probable.

A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer. Management assesses each good or service promised in a contract and identifies each promise as a performance obligation. The transaction price is the amount of consideration (fixed or variable) expected to be received in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. If the considerations promised in a contract include a variable amount, management will estimate the amount to which it expects to be entitled using the most-likely-amount method. Estimated amounts are only included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

Habilitation, Residential, and Waivered Services

STARC recognizes revenue from habilitation, residential, and waivered programs during the year in which the related services are provided to the individual.

STARC offers care services to individuals in the programs at standard contracted rates. Medicaid or the payor is billed monthly for services provided. The performance obligation of delivering care services is simultaneously received and consumed by the individual. Revenue related to services performed as needed is recognized at a point in time, on the day the service is performed. Contracts for services are combined into a single portfolio of similar contracts.

Fundraising Income

STARC hosts fundraisers and special events during the year. Fundraising income is primarily made up of contributions without donor restrictions. Donations raised for a specific cause are recognized at a point in time when the consideration is received.

STARC OF LOUISIANA, INC.

Notes to Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Bed Licenses Amortization

Expense for amortization of the bed licenses for the years ended June 30, 2025 and 2024 totaled \$-0- and \$5,834, respectively.

Property and Equipment

Purchased property and equipment, in excess of \$5,000, are capitalized and recorded at cost at the date of acquisition. Contributed property and equipment are recorded at fair value at the date of donation. Expenses for maintenance, repairs, and renewals of minor items are charged as incurred.

Depreciation and amortization are computed by the straight-line method at rates based on the following estimated useful lives: furniture and equipment - 5 to 20 years; building and improvements - 5 to 30 years; and vehicles - 3 to 5 years.

Depreciation expense for the years ended June 30, 2025 and 2024 was \$448,729 and \$408,217, respectively.

Donated Assets and Services

STARC recorded non-cash donations as contributions at its estimated fair market value at the date of donation.

Various functions of STARC are conducted by unpaid officers, board members, and volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria necessary for recognition. STARC recognizes donated services, if significant in amount, which create or enhance non-financial assets or that require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Functional Expense Allocation

The cost of providing STARC's various programs and supporting services has been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses are first allocated by direct identification and then allocated if an expenditure benefits more than one program or function. The expenses that are allocated are allocated on the basis of estimates of time and effort or on the basis of square footage. Allocable expenses include salaries and benefits, occupancy, insurance, and depreciation expense.

Income Taxes

STARC qualifies for an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

STARC OF LOUISIANA, INC.

Notes to Financial Statements

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. STARC believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements. Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

Leases

STARC accounts for leases under FASB ASC 842, which requires lessees to record right-of-use (ROU) assets and related lease obligations on the statements of financial position. The ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments over that term. Similar to the previous lease guidance, ASC 842 retains a distinction between finance leases (similar to capital leases in Topic 840, *Leases*) and operating leases, with classification affecting the pattern of expense recognition in the statements of activities.

ROU assets and liabilities are recognized at commencement based on the present value of lease payments over the lease term. ROU assets also include any lease payments made prior to lease commencement and exclude lease incentives. The lease term is the noncancelable period of the lease and includes options to extend or terminate the lease when it is reasonably certain that an option will be exercised. STARC has elected the private company alternative available in ASC 842 to use a risk free rate over a similar term in computing the present value of lease payments.

As permitted by the standard, STARC elected, for all asset classes, the short-term lease exemption. A short-term lease is a lease that, at the commencement date, has a term of twelve months or less and does not include an option to purchase the underlying asset.

As of June 30, 2025 and 2024, STARC has identified no significant long-term leases and, as such, has recorded no ROU assets nor lease liabilities on the statements of financial position.

Implementation of Accounting Pronouncement

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The ASU introduces a practical expedient and, for entities other than public business entities, an accounting policy election to simplify the application of Topic 326, *Financial Instruments - Credit Losses*, to current accounts receivable and current contract assets arising from revenue transactions accounted for under Topic 606, *Revenue from Contracts with Customers*. STARC early implemented this guidance. The implementation of ASU 2025-05 did not result in a significant impact on the financial statements.

Reclassification

Certain reclassifications have been made in the prior year financial statements in order for them to be in conformity with current year presentation.

STARC OF LOUISIANA, INC.

Notes to Financial Statements

Note 2. Concentrations of Credit Risk

STARC has concentrated its credit risk by maintaining deposits and certificates of deposit in banks located within the same geographic region that may, at times, exceed amounts covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2025 and 2024, approximately \$4,400,000 and \$4,200,000, respectively, of cash and cash equivalents were uninsured. STARC has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

A significant portion of STARC's revenue is derived from the ad valorem tax revenue described in Note 8, the Medicaid waiver program, and Title XIX funding. As of June 30, 2025, ad valorem taxes represent 26% of revenues, the Medicaid waiver program represents 33% of revenues, and Title XIX funding represents 22% of revenues. As of June 30, 2024, ad valorem taxes represented 25% of revenues, the Medicaid waiver program represented 30% of revenues, and Title XIX funding represented 21% of revenues.

Note 3. Accounts Receivable

As of June 30, 2025, 2024, and 2023, accounts receivable were comprised of:

	2025	2024	2023
Title XIX Funding	\$ 163,019	\$ 185,291	\$ 212,344
Waiver Services	238,541	204,117	179,754
Supported Services	94,695	98,228	84,601
Contracted Services	20,397	19,735	18,425
Other	27,152	31,500	52,361
Total	\$ 543,804	\$ 538,871	\$ 547,485

Note 4. Investments

As of June 30, 2025 and 2024, investments included STARC's interest in pooled accounts held with NCF, which have a market value of \$398,819 and \$365,947, respectively and investments in LAMP, which have a market value of \$250,167 and \$238,651, respectively. See Note 1.

The net gain on the investments for June 30, 2025 and 2024 was \$44,388 and \$72,631, respectively.

STARC OF LOUISIANA, INC.

Notes to Financial Statements

Note 5. Liquidity and Availability

STARC holds various certificates of deposit maturing in August 2025. As of June 30, 2025 and 2024, certificates of deposit totaled \$652,244 and \$1,285,132, respectively.

STARC regularly monitors liquidity required to meet its operating needs and other contractual commitments. Expenditures are generally met within 30 days, utilizing the financial resources STARC has available.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position dates, consisted of the following:

	2025	2024
Cash and Cash Equivalents	\$ 5,662,035	\$ 4,912,384
Certificates of Deposit, Short-Term	652,244	1,285,132
Accounts Receivable	543,804	538,871
	<u>6,858,083</u>	<u>6,736,387</u>
Less: Board-Designated Amounts	(17,644)	(665,860)
Total Amounts Available for Use Within One Year	<u>\$ 6,840,439</u>	<u>\$ 6,070,527</u>

In addition, STARC has available a \$500,000 operating line of credit to draw upon which matures in April 2030.

Note 6. Accumulated Paid Leave

All full-time regular status employees who do not carry the Direct Support Professional title are eligible for paid leave. At the beginning of each fiscal year, STARC deposits into each employee's annual leave account a lump sum amount of leave hours to use for time off during that fiscal year. The amount of leave each employee receives is based on the employee's job classification and years of eligible service. At the end of each fiscal year, unused annual leave hours up to established limits are automatically transferred to the employee's accumulated leave account.

Annual leave hours not used are not payable to employees upon resignation, retirement, termination, or death, while accumulated leave hours will be paid out upon resignation, retirement, termination, or death at the employee's current hourly rate.

STARC OF LOUISIANA, INC.

Notes to Financial Statements

Note 6. Accumulated Paid Leave (Continued)

Accumulated paid leave as of June 30, 2025 and 2024 was as follows:

	2025	2024
Beginning Balance	\$ 199,005	\$ 213,490
Additions	250,146	241,929
Reductions	(251,089)	(256,414)
Ending Balance	\$ 198,062	\$ 199,005

Note 7. Board Designations

It is the policy of the Board of Directors of STARC to review its plans for future property improvements, acquisitions, and program services from time to time and to designate appropriate sums of net assets without donor restrictions to ensure adequate financing. At June 30, 2025 and 2024, STARC's Board had \$17,644 and \$665,860, respectively, in funds which are designated for expanding program services to involve more families and the community in the joyful growth of all citizens.

Note 8. Administration Agreement and Deferred Revenue

The St. Tammany Parish Government (the Government) and STARC currently have an administration agreement whereby the Government distributes a portion of a property tax millage levied for the benefit of social welfare programs to STARC. The millage was approved by the voters in 2019 for a period of 10 years ending with the year 2028. The agreement requires the Government to compensate STARC fifty percent (50%) of the current 1.83 mill tax annually. Under the agreement, STARC provides services relating to acquiring, constructing, improving, maintaining, and operating authorized activities, services, programs, and/or facilities for disabled persons in St. Tammany Parish. The amount passed through to STARC is based on the property taxes collected less administrative costs imposed by the Government.

The ad valorem tax received from the Government and the expenditures incurred are included in the specific programs and supporting services of STARC on the statements of activities. For the fiscal years ended June 30, 2025 and 2024, STARC received \$2,504,409 and \$2,350,797, respectively. STARC incurred expenditures relating to the services provided in the amount of \$2,577,012 and \$2,527,395 for the years ended June 30, 2025 and 2024, respectively. STARC has recorded deferred revenue of \$2,091,725 and \$2,164,329, respectively, in order to properly recognize revenue when it will be earned.

STARC has also recorded deferred revenue of \$31,274 and \$-0-, respectively, related to Title XIX overpayments in order to properly recognize revenue when it will be earned.

STARC OF LOUISIANA, INC.

Notes to Financial Statements

Note 9. United Way Allocation/Grants

STARC participates in the United Way for the Greater New Orleans Area allocation and designation of funds process. To participate in the allocation and designation of funds, certain restrictions were placed on STARC's ability to conduct certain fundraising activities or otherwise solicit contributions. The United Way's allocation/designation to STARC for the years ended June 30, 2025 and 2024 was \$1,213 and \$11,762, respectively.

Note 10. Long-Term Debt

STARC had the following note payable as of June 30th:

	2025	2024
Mortgage note dated October 6, 2020, payable to a bank in monthly installments of \$11,754, consisting of principal and interest accruing at a rate of 3.19% through October 2035. Collateralized by land and building.	\$ 829,972	\$ 1,021,795
Less: Current Portion	(117,120)	(110,823)
Less: Capitalized Refinancing Costs	(11,362)	(14,203)
Total Long-Term Debt	\$ 701,490	\$ 896,769

Maturities of long-term debt as of June 30, 2025 are as follows:

Year Ending June 30,	Amount
2026	\$ 117,120
2027	123,623
2028	130,315
2029	137,275
2030	321,639
Total	\$ 829,972

Interest paid on notes payable for the years ended June 30, 2025 and 2024 was \$33,067 and \$39,328, respectively.

STARC OF LOUISIANA, INC.

Notes to Financial Statements

Note 11. Line of Credit

STARC has a \$500,000 line of credit with a local bank which matures in April 2030. The line of credit has an interest rate of 0.5% over the Wall Street Journal Prime Rate. There was no outstanding balance on the line of credit at June 30, 2025 and 2024.

Note 12. Operating Leases

STARC has various short-term operating leases for office equipment at various locations. Lease expense for office equipment for the years ended June 30, 2025 and 2024 totaled \$21,223 and \$17,362, respectively.

Note 13. Retirement Plans

STARC established a 401(k) Thrift Plan (the Plan) effective November 1, 2000. Employees of STARC may participate in the Plan, whereby employees elect to make voluntary contributions pursuant to a salary reduction agreement. It is available to all employees who have completed the service requirements (equivalent to one year of service with 1,000 hours of service or more). STARC makes discretionary contributions to the Plan each year as a percentage of all participants' contributions.

On April 19, 2012, STARC established a 457(b) Top Hat Plan whereby the executive staff can contribute to a retirement plan and STARC still be in compliance with the requirements of the 401(k) plan. The highly compensated employees who participate in this plan do so with only their own deferrals. STARC makes discretionary contributions to this plan each year as a percentage of all participants' contributions.

STARC's contributions for both plans for the years ended June 30, 2025 and 2024 were \$50,753 and \$48,516, respectively.

Note 14. Deferred Compensation

On March 16, 2005, the Board established a years of service bonus plan for any retiring employee who has been employed by STARC for a minimum of 20 years and has maintained a satisfactory employment record. The bonus payments are not guaranteed and are paid only from board-approved unrestricted funds that are available in the fiscal year in which a qualifying employee retires. Bonus payments are based on 50%, 75%, or 100% of the employee's annualized regular salary at retirement date, depending on years of service. Bonus payment expense was \$302,785 and \$64,771 for the years ended June 30, 2025 and 2024, respectively, and is recorded in salary, wages, and benefits on the statements of functional expenses.

STARC OF LOUISIANA, INC.

Notes to Financial Statements

Note 15. Contingencies

From time to time, STARC is involved in claims or legal proceedings arising in the ordinary course of operations. In the opinion of management, the outcome of such actions will have no material impact on STARC's financial position or results of operations.

In April 2020, STARC applied for and received approximately \$1,000,000 in loan proceeds through the Paycheck Protection Program (PPP) enacted by Congress as a response to the COVID pandemic. In August 2021, those proceeds were forgiven in full by the Small Business Administration (SBA). The SBA will have the right to audit STARC's compliance with the PPP for a period up to six years after forgiveness is granted. Any unfavorable outcome resulting from the SBA's review or audit will be reported once known and may materially impact STARC's financial position and/or results of future operations.

Note 16. Related-Party Activity

During the year ended June 30, 2023, STARC entered into an accounting services agreement with Taylor & Willis, CPAs and Advisors (T&W) to provide outsourced accounting services. An employee with T&W serves as a member of STARC's Board of Directors and provides services to STARC under this agreement. Amounts paid to T&W for these services during the year ended June 30, 2025 and 2024 totaled \$78,655 and \$76,054, respectively. Amounts payable to T&W under this agreement totaled \$6,275 and \$6,170 as of June 30, 2025 and 2024, respectively.

The Board of Directors of STARC, excluding the board member employed by T&W, has reviewed and approved this agreement to ensure it is in the best interest of STARC, and that the services are provided at fair market value. The board member employed by T&W recused themselves from all discussions and decisions regarding this agreement. Furthermore, the Board of Directors of STARC believes that the terms and conditions of the agreement with T&W are fair and reasonable and that the services received have been essential to STARC's operations.

Note 17. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 9, 2025, and determined that no events occurred which require disclosure. No further subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

STARC OF LOUISIANA, INC.
Supplementary Information
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2025

Louisiana Revised Statute (R.S.) 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees be reported as a supplemental report within the financial statements of local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that non-governmental entities or not-for-profit entities that receive public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

Agency Head
Mark Baham, Executive Director

Purpose	Amount
Salary	\$149,141
Benefits - Insurance	\$0
Benefits - Retirement	\$2,270
Benefits - Other	\$13,859
Vehicle Provided by Agency	\$11,370
Per Diem	\$0
Reimbursements	\$2,283
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report.



**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**

Independent Auditor's Report

To the Board of Directors
STARC of Louisiana, Inc.
Slidell, Louisiana

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 STARC of Louisiana, Inc. (STARC), which comprise the statement of financial position as of June 30, 2025, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 9, 2025.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether STARC'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Covington, LA
December 9, 2025

STARC OF LOUISIANA, INC.
Schedule of Findings and Responses
For the Year Ended June 30, 2025

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None Reported |
| c. Noncompliance material to the financial statements? | No |

Federal Awards

Not applicable.

Part II - Findings Related to the Financial Statements

None.

STARC OF LOUISIANA, INC.
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2025

None.



AGREED-UPON PROCEDURES REPORT

STARC of Louisiana, Inc.

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period July 1, 2024 - June 30, 2025

To Mr. Mark Baham
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on STARC of Louisiana, Inc.'s (STARC) control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year July 1, 2024 through June 30, 2025. STARC's management is responsible for those C/C areas identified in the SAUPs.

STARC has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year July 1, 2024 through June 30, 2025. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and results are as follows:

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: Management has determined that procedures ix (Ethics), x (Debt Service), and xii (Prevention of Sexual Harassment) are not applicable to STARC. Written policies and procedures for vi (Contracting), and xi (information Technology Disaster Recovery/Business Continuity) did not fully address the listed items. No other exceptions identified as a result of the procedures performed.

3) **Bank Reconciliations**

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions identified as a result of these procedures performed.

We were engaged by STARC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of STARC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing on those C/C areas identified in Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Mauldin & Jenkins, LLC

Covington, LA
December 9, 2025