



August 24, 2015

The Florida Department of Education  
Commissioner of Education  
325 W. Gaines St., Suite 1514  
Tallahassee, FL 32399-0400

AUG 27 2015

RE: AAA Scholarship Foundation – FL, LLC  
Participation Renewal for Florida Tax Credit Scholarship Program

Dear Sirs,

Enclosed, please find the following documents required to renew our participation in the Florida Tax Credit Scholarship Program:

- A signed IEPC SFO-2 form
- Attachment #1 - A copy of our IRS Determination Letter as a 501(c)(3) not-for-profit organization
- Attachment #2 - A copy of our incorporation and registration with the Florida Division of Corporations, Office of the Secretary of State
- Attachment #3 - A description of our financial plan that demonstrates sufficient funds to operate throughout the school year
- Attachment #4 - A description of the geographic region that the organization intends to serve and an analysis of the demand and unmet need for eligible students in that area
- Attachment #5 - The organization's organizational chart
- Attachment #6 - A description of the criteria and methodology that the organization will use to evaluate scholarship eligibility
- Attachment #7 - A description of the application process, including deadlines and any associated fees
- Attachment #8 - A description of the deadlines for attendance verification and scholarship payments
- Attachment #9 - A copy of the organization's policies on conflict of interest and whistleblowers
- Attachment #10 - A surety bond or letter of credit in an amount equal to the amount of undisbursed donations held by the organization based on the annual report provided to the Auditor General and the Dept. of Education and conducted by an independent certified public accountant (s.1002.395 (6)(m), F.S.)
- Attachment #11 - A copy of the statutorily required audit to the Department of Education and Auditor General
- Attachment #12 - An annual report that includes the number of students who completed applications, by county and by grade, the number of students who were approved for scholarships, by county and by grade, and the number of students who received funding for scholarships within each funding category, by

Florida Tax Credit Scholarship Program  
Participation Renewal  
August 24, 2015

county and by grade, as well as the amount of funds received, the amount of funds distributed in scholarships, and an accounting of remaining funds and the obligation of those funds


Our Level 2 criminal background screening results are on file with the Florida Department of Law Enforcement.

Our IRS Form 990 is currently in the review process and a copy will be submitted to you by the November 30, 2015 due date.

We believe that this satisfies our requirement under Section 1002.395(16)(b), Florida Statutes, however, please do not hesitate to contact us if any additional information is required.

Sincerely,

AAA Scholarship Foundation, Inc.



Kimberly Dyson  
President and CEO



**NONPROFIT SCHOLARSHIP FUNDING ORGANIZATION**  
**PARTICIPATION RENEWAL**  
**FLORIDA TAX CREDIT SCHOLARSHIP PROGRAM**



If your nonprofit charitable organization desires to participate, please complete this form and submit it to the **Department of Education** with information as requested below.  
 If you have any questions, contact the Office of Independent Education and Parental Choice at: Telephone **(850) 245-0502** or FAX **(850) 245-9134** or by mail to: 325 W. Gaines Street, Suite 1044, Tallahassee, FL 32399-0400.

**SUBMIT BY: SEPTEMBER 1, 2015**

**INFORMATION REQUIRED ABOUT YOUR ORGANIZATION**

AAA Scholarship Foundation - FL, LLC

*(Name of Organization)*

Kimberly Dyson

kim@aaascholarships.org

888-707-2465

888-707-2465

*(Principal Contact)*

*(E-mail)*

*(Phone)*

*(Fax)*

PO Box 15719

*(Mailing Address)*

*(Mailing Address Cont.)*

Tampa

33684-0719

*(City)*

*(Zip Code)*

Kimberly Dyson

*(Name of Principal Officer or Legal Representative)*

**CHARITABLE SFO ASSURANCES / VERIFICATION**

**WHICH BEST DESCRIBES YOUR ORGANIZATION?** (Circle one)

Municipal (serving one city or county)

Regional

Statewide

**TO BE CONSIDERED AS AN ELIGIBLE SFO, PLEASE SUBMIT THE FOLLOWING DOCUMENTATION TO THE DEPARTMENT OF EDUCATION:**

- A signed IEPC SFO-2 form
- A copy of your IRS Determination Letter as a 501(c)(3) not for profit organization
- A copy of your organization's incorporation and registration with the Florida Division of Corporations, Office of the Secretary of State
- Level 2 criminal background screening results for owners and operators
- A description of your organization's financial plan that demonstrates sufficient funds to operate throughout the school year
- A description of the geographic region that the organization intends to serve and an analysis of the demand and unmet need for eligibly students in that area
- The organization's organizational chart

- A description of the criteria and methodology that the organization will use to evaluate scholarship eligibility
- A description of the application process, including deadlines and any associated fees
- A description of the deadlines for attendance verification and scholarship payments
- A copy of the organization's policies on conflict of interest and whistleblowers
- A surety bond or letter of credit in an amount equal to the amount of the undisbursed donations held by the organization based on the annual report provided to the Auditor General and the Department of Education and conducted by an independent certified public accountant (s.1002.395(6)(m), F.S.). The amount of the surety bond or letter of credit must be at least \$100,000.00, but no more than \$25 million
- The organization's completed IRS Form 990 (due no later than November 30)
- A copy of the statutorily required audit to the Department of Education and Auditor General
- An annual report that includes the number of students who completed applications, by county and by grade, the number of students who were approved for scholarships, by county and by grade, and the number of students who received funding for scholarships within each category, by county and by grade, as well as the amount of funds received, the amount of funds distributed in scholarships, and an accounting of remaining funds and the obligations of those funds
- A detailed accounting of how the organization spent the administrative funds, *if applicable*

**PLEASE RESPOND TO THE FOLLOWING QUESTIONS:**

- I have read and agree to comply with Florida Administrative Code 6A-6.0960 related to the Florida Tax Credit Scholarship Program
- I have read and agree to comply with Florida Statutes Section 1002.395 and Section 1002.385, if applicable
- I will notify the Department of Education within 7 days if personal or corporate bankruptcy is filed within the next year
- I have not filed for personal or corporate bankruptcy in a corporation of which I owned more than 20 percent in the last 7 years

**I HEREBY ATTEST THAT AS THE PRINCIPAL OFFICER OF THE ABOVE NAMED SCHOLARSHIP FUNDING ORGANIZATION ALL OF THE DOCUMENTATION SUBMITTED AND INFORMATION PROVIDED AS A RESULT OF THIS FORM IS TRUE AND CORRECT.**

  
 \_\_\_\_\_  
 Signature of Principal Officer

Kimberly Dyson  
 \_\_\_\_\_  
 Please print or type signature name

8/24/2015  
 \_\_\_\_\_  
 Date

NOTARIZATION ENCOURAGED



**FOR DOE PURPOSES ONLY:**

Date Received: \_\_\_\_\_

Received by: \_\_\_\_\_

Action: \_\_\_\_\_

\_\_\_\_\_

Authorization: \_\_\_\_\_ Date: \_\_\_\_\_

SFO Notified: \_\_\_\_\_ DOR Notified: \_\_\_\_\_ DABT Notified: \_\_\_\_\_

*NOTE: Section 1002.395, F.S., requires the Department of Education to annually notify the Department of Revenue and the Division of Alcoholic Beverages and Tobacco of the Department of Business and Professional Regulation with a list of eligible Scholarship Funding Organizations by March 15<sup>th</sup>.*

Attachment #1

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **SEP 10 2010**

AAA SCHOLARSHIP FOUNDATION INC  
C/O HEATHER BRAULT  
PO BOX 3579  
FORT STEWART, GA 31315

Employer Identification Number:  
27-2559468  
DLN:  
17053140325030  
Contact Person:  
CHITRA MAMLATDARNA ID# 52471  
Contact Telephone Number:  
(877) 829-5500  
Accounting Period Ending:  
June 30  
Public Charity Status:  
170(b)(1)(A)(vi)  
Form 990 Required:  
Yes  
Effective Date of Exemption:  
March 26, 2010  
Contribution Deductibility:  
Yes  
Addendum Applies:  
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)



Attachment #2

**2015 FLORIDA LIMITED LIABILITY COMPANY ANNUAL REPORT**

DOCUMENT# L13000172561

**Entity Name:** AAA SCHOLARSHIP FOUNDATION - FL, LLC

**Current Principal Place of Business:**

13528 PRESTIGE PLACE  
107  
TAMPA, FL 33635

**FILED**  
**Jan 10, 2015**  
**Secretary of State**  
**CC3549692670**

**Current Mailing Address:**

PO BOX 15719  
TAMPA, FL 33684-0719 US

**FEI Number:** 27-2559468

**Certificate of Status Desired:** No

**Name and Address of Current Registered Agent:**

DYSON, KIM  
13528 PRESTIGE PLACE  
107  
TAMPA, FL 33635 US

*The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.*

SIGNATURE: \_\_\_\_\_

Electronic Signature of Registered Agent

\_\_\_\_\_ Date

**Authorized Person(s) Detail :**

Title MGRM  
Name AAA SCHOLARSHIP FOUNDATION,  
INC.  
Address PO BOX 3579  
City-State-Zip: FORT STEWART GA 31315

*I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 605, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.*

SIGNATURE: KIMBERLY DYSON

MANAGER

01/10/2015

\_\_\_\_\_ Electronic Signature of Signing Authorized Person(s) Detail

\_\_\_\_\_ Date

# ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY

## ARTICLE I - Name:

The name of the Limited Liability Company is:

AAA Scholarship Foundation - FL, LLC

(Must end with the words "Limited Liability Company, "L.L.C." or "LLC.")

## ARTICLE II - Address:

The mailing address and street address of the principal office of the Limited Liability Company is:

### Principal Office Address:

3135 State Road 580, Suite 15

Safety Harbor, FL 34695

### Mailing Address:

3135 State Road 580, Suite 15

Safety Harbor, FL 34695

## ARTICLE III - Registered Agent, Registered Office, & Registered Agent's Signature:

(The Limited Liability Company cannot serve as its own Registered Agent. You must designate an individual or another business entity with an active Florida registration.)

The name and the Florida street address of the registered agent are:

Kim Dyson

Name

3135 State Road 580, Suite 15

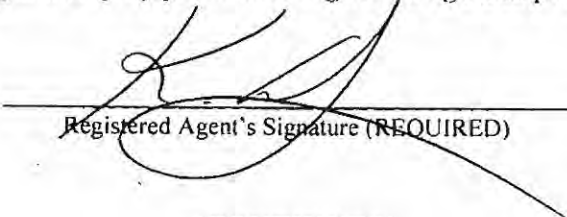
Florida street address (P.O. Box **NOT** acceptable)

Safety Harbor, FL 34695

FL

City, State, and Zip

*Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent as provided for in Chapter 608, F.S..*

  
\_\_\_\_\_  
Registered Agent's Signature (REQUIRED)

(CONTINUED)

2019 DEC 13 PM 3:41  
STATE OF FLORIDA  
ALL AMASST. FLORIDA

FILED



**ARTICLE IV- Manager(s) or Managing Member(s):**

The name and address of each Manager or Managing Member is as follows:

**Title:**

"MGR" = Manager

"MGRM" = Managing Member

**Name and Address:**

MGRM

AAA Scholarship Foundation, Inc.

PO Box 3579

Fort Stewart, GA 31315

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

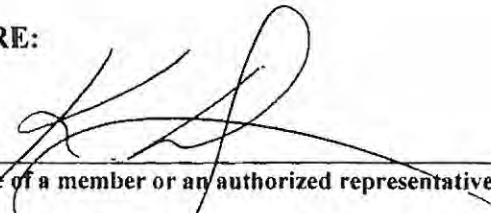
FILED  
2013 DEC 13 PM 3:41  
DEPARTMENT OF STATE  
TALLAHASSEE, FLORIDA

(Use attachment if necessary)

**ARTICLE V:** Effective date, if other than the date of filing: 12/10/2013 (OPTIONAL)

(If an effective date is listed, the date must be specific and cannot be more than five business days prior to or 90 days after the date of filing.)

**REQUIRED SIGNATURE:**



\_\_\_\_\_  
Signature of a member or an authorized representative of a member.

(In accordance with section 608.408(3), Florida Statutes, the execution of this document constitutes an affirmation under the penalties of perjury that the facts stated herein are true. I am aware that any false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S.)

Kimberly Dyson, President and CEO, AAA Scholarship Foundation

Typed or printed name of signee

**Filing Fees:**

**\$125.00 Filing Fee for Articles of Organization and Designation of Registered Agent**

**\$ 30.00 Certified Copy (Optional)**

**\$ 5.00 Certificate of Status (Optional)**



#### **ARTICLE VI - Purpose**

1. This company is organized exclusively for charitable and educational purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code of 1986, as now enacted or hereafter amended, including, for such purposes:

- a. To provide economic and other assistance to low-income families to enable them to select the best schools for their children; and
- b. To engage in any and all lawful activities to accomplish the forgoing purposes except as restricted herein.

In order to accomplish the foregoing charitable and educational purposes, and for no other purpose or purposes, the company shall have all the powers granted to not-for-profit companies by the Florida Not-For-Profit Corporation Act; provided, however, that the company shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the company.

2. At all times the following shall operate as conditions restricting the operations and activities of the company:

- a. No part of the net earnings of the company shall inure to any member of the company not qualifying as exempt under Section 501 (c)(3) of the Internal Revenue Code of 1986, as now enacted or hereafter amended, nor to any Director or Officer, nor to any other private persons, excepting solely such reasonable compensation that the company shall pay for services actually rendered to the company, or allowed by the company as a reasonable allowance for authorized expenditures incurred on behalf of the company;
- b. No substantial part of the activities of the company shall constitute the carrying on of propaganda or otherwise attempting to influence legislation, or any initiative or referendum before the public, and the company shall not participate in, or intervene in (including by publication or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office; and
- c. Notwithstanding any other provision of these articles, the company shall not carry on any other activities not permitted to be carried on by a company exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code of 1986, as now enacted or hereafter amended.
- d. The company shall not lend any of its assets to any officer or Director of this company or guarantee to any person the payment of a loan by an officer or Director of this company.

3. Upon the time of dissolution of the company, assets shall be distributed by the Managing Member after paying or making provisions for the payment of all debts, obligations, liabilities, costs and expenses of the company, for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the company is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.





**ARTICLE VII – LIMITATIONS ON POWERS**

The purpose and activities of AAA Scholarship Foundation – FL, LLC are limited to activities which are carried on for the exclusive benefit of AAA Scholarship Foundation Inc., a Georgia not for profit corporation, and AAA Scholarship Foundation – FL, LLC, will only exercise powers which are in furtherance of AAA Scholarship Foundation, Inc.'s exempt purposes.

2014 JAN 23 PM 12:16  
TALLAHASSEE, FL 32310

**AAA Scholarship Foundation, Inc.**  
**Operating Budget**  
**Fiscal Year 2016-17**

	Annual Budget	Budget Narrative/Assumptions
<b>Revenues</b>		
Contributions - GA	675,585	Tax Credit Contributions
Contributions - AZ	11,095,000	Tax Credit Contributions
Contributions - PA	200,000	Tax Credit Contributions
Contributions - AZ-DD	1,790,000	Tax Credit Contributions
Contributions - AL	306,500	Tax Credit Contributions
Contributions - FL	3,925,000	Tax Credit Contributions
Grants - FL PLSA	3,000,000	FL DOE PLSA Voucher Grant
Contributions - NV	2,790,000	Tax Credit Contributions
Total Grants & Contributions	<u>23,782,085</u>	
Interest	58,834	Interest Earned on/Restricted for Scholarship Accounts
Net Revenues	<u>23,930,919</u>	
<b>Direct Program Costs</b>		
Scholarships Awarded - GA	608,027	27 scholarships awarded (max of \$7,500 x 3 years)
Scholarships Awarded - AZ	9,985,500	666 scholarships awarded (max of \$5,000 x 3 years)
Scholarships Awarded - PA	100,000	13 scholarships awarded (max of \$7,500 x 1 year)
Scholarships Awarded - AZ-DD	1,611,000	67 scholarships awarded (avg of \$8,000 x 3 years)
Scholarships Awarded - AL	291,175	39 scholarships awarded (max of \$7,500 x 1 year)
Scholarships Awarded - FL	3,925,000	785 scholarships awarded (avg of \$5,000 x 1 year)
Scholarships Awarded - FL PLSA	3,000,000	300 scholarships awarded (avg of \$10,000 x 1 year)
Scholarships Awarded - NV	2,650,500	353 scholarships awarded (max of \$7,500 x 1 year)
Total Direct Program Costs	<u>22,171,202</u>	
<b>General and Administrative Expenses</b>		
<b>Wages &amp; Benefits</b>		
FICA	29,887	Employer Payroll Taxes
Employee Benefits	48,033	Employer Paid Group Medical/Dental Premium + Retirement Plan Contribution
Salaries	390,686	Salary Cost: CEO, COO, Accountant, Scholarship Admin (2.5), Outreach (2.5)
Wages & Benefits	<u>468,606</u>	
<b>Travel &amp; Meetings</b>		
Conferences/Conventions	10,830	Attend 10 Conferences
Lodging	21,300	Conferences, School meetings, Site Visits, Student Recruiting
Meals & Entertainment	9,230	Conferences, School meetings, Site Visits, Student Recruiting
Meals - Staff Mtgs	1,250	Staff Meetings/Holiday Parties
Meals - Board Mtgs	200	BOD Lunch Meetings
Travel	56,000	Conferences, School meetings, Site Visits, Student Recruiting
Travel Expenses	<u>98,810</u>	
<b>Business Insurance</b>		
Surety Bond	3,000	FL Bond - Annual Premium
Liability Insurance	3,789	General & D&O Insurance
Workers Comp Insurance	1,255	Annual Premium
Business Insurance	<u>8,044</u>	
<b>General Expenses</b>		
Advertising/Marketing	152,774	Collateral material, paid media, outreach, student recruiting
Bank Charge	11,220	Account Analysis Fees/Late Fees
Business License/Registration	3,192	State Registrations/Solicitation Fees
Contract Services/Development	662,290	Independent Contractors/Marketing/Fund Raising/Govt Relations
Depreciation	1,200	Depreciation of fixed assets
Dues, Fees & Subscriptions	6,162	Memberships, Subscriptions
Equipment Rental	2,544	Various equipment, post office boxes, etc.
Equipment Repair & Maintenance	2,250	Computer/Equipment Repairs
Software Licenses	4,452	Annual Seat for Licenses
Office Equipment	2,400	Various calculators, printers, etc.
Postage & Delivery	10,104	Applications/checks/packets/handbooks/ltrs/notices
Printing & Reproduction	4,272	Applications/Award Letters/School Commitment Forms/Envelopes, etc
Professional Development	2,000	Technical training
Professional Services	25,595	Payroll/Tax Return Prep/Audit/Legal
Supplies	4,000	Paper/toner/storage boxes/pens/highlighters, etc
Telephone/Fax	2,600	Phone/fax/cell
Web/Internet Hosting Services	2,024	Site Hosting, Domains, SEO Optimization
Total General Expenses	<u>899,078</u>	
Facility Expenses	31,020	Monthly Lease/utilities/maint
Total G&A Expenses	<u>1,505,558</u>	
Total Costs & Expenses	<u>23,676,759</u>	
Surplus / (Deficit)	<u>254,160</u>	

AAA Scholarship Foundation, Inc.  
Cash Flow Projection  
Fiscal Year 2016-17

	July	August	September	October	November	December	January	February	March	April	May	June
Beginning Balance	19,171,685	33,336,185	33,215,685	35,411,326	34,761,659	30,518,133	32,855,967	28,762,441	28,575,274	29,063,693	24,820,167	24,769,500
+Cash Received	14,289,963	4,963	5,814,963	104,963	4,963	2,529,963	154,963	4,963	680,548	4,963	141,463	4,963
-Cash Paid Out	125,463	125,463	3,619,323	754,630	4,248,489	192,130	4,248,489	192,130	192,130	4,248,489	192,130	192,130
Ending Balance	33,336,185	33,215,685	35,411,326	34,761,659	30,518,133	32,855,967	28,762,441	28,575,274	29,063,693	24,820,167	24,769,500	24,582,334

Disclaimer: This report includes forward-looking statements that involve a number of risks and uncertainties. We would like to point out that the actual results could differ materially from those indicated or underlying these statements, or could have an impact on the realization of particular financial projections. Accordingly, we cannot guarantee the realization of these forward-looking statements.



AAA Scholarship Foundation  
Preliminary Statement of Financial Position  
June 30, 2015

ASSETS		
Current Assets		
Cash & Equivalents	6,299,572	
Pledges Receivable (Net)	1,525,000	
Other Current Assets	39,768	
Investments - Short-Term	3,714,943	
Total Current Assets	<u>11,579,282</u>	11,579,282
Non-Current Assets		
Refundable Deposits	2,471	
Investments - Long-Term	9,396,776	
Fixed Assets (Net)	4,086	
Total Non-Current Assets	<u>9,403,333</u>	9,403,333
Total Assets		<u><u>20,982,616</u></u>
LIABILITIES		
Current Liabilities		
Accounts Payable	13,510	
Revolving Credit	2,998	
Other Current Liabilities	15,632	
Scholarships Payable	8,481,801	
Total Current Liabilities	<u>8,513,940</u>	8,513,940
Long Term Liabilities		
Scholarships Payable	9,881,368	
Total Long Term Liabilities	<u>9,881,368</u>	9,881,368
Total Liabilities		18,395,309
NET ASSETS		
Unrestricted	(633,629)	
Temporarily Restricted	3,220,936	
Total Net Assets	<u>2,587,307</u>	2,587,307
Total Liabilities and Net Assets		<u><u>20,982,616</u></u>

**UNAUDITED - CONFIDENTIAL - FOR INTERNAL USE ONLY**

AAA Scholarship Foundation, Inc.  
**Preliminary Statement of Activities**  
 For the 12 Months Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES:</b>			
Contributions (Net of Allowance)	0	12,665,374	12,665,374
Grants	0	805,022	805,022
Administrative Allowance	1,277,254	0	1,277,254
Donated Goods/Services	0	0	0
Other	2,737	0	2,737
Interest	0	74,351	74,351
Net assets released from restrictions	11,579,814	(11,579,814)	0
Total Revenues	<u>12,859,805</u>	<u>1,964,933</u>	<u>14,824,738</u>
<b>EXPENSES:</b>			
Program Services			
Scholarships	12,123,327	0	12,123,327
Total Program Services	<u>12,123,327</u>	<u>0</u>	<u>12,123,327</u>
Supporting Services			
Management & General	19,539	0	19,539
Fundraising	555,478	0	555,478
Total Supporting Services	<u>575,017</u>	<u>0</u>	<u>575,017</u>
Total Expenses	12,698,344	0	12,698,344
Realized Gains/(Losses)	0	0	0
Increase/(Decrease) in Net Assets	161,461	1,964,933	2,126,394
Beginning Net Assets	<u>(795,090)</u>	<u>1,256,003</u>	<u>460,913</u>
Ending Net Assets	<u><u>(633,629)</u></u>	<u><u>3,220,936</u></u>	<u><u>2,587,307</u></u>

**UNAUDITED - CONFIDENTIAL - FOR INTERNAL USE ONLY**

Florida Scholarship Funding Organization  
Annual Application – Attachment  
For the Fiscal Year Ended 6/30/17

**A description of the geographic region that the organization intends to serve and an analysis of the demand and unmet need for eligible students in that area**

AAA Scholarship Foundation – FL, LLC serves the children of low-income families throughout the state of Florida. Low-income is defined by AAA as household incomes up to 250 percent of the federal poverty threshold.

The United States Census Bureau estimates Florida's 2014 population at just below 20 million people with 16.3 percent of them living below the federal poverty threshold.<sup>1</sup> For 2014, the federal poverty threshold was \$23,850 for a family of two adults and two children.<sup>2</sup>

According to the National Center for Children in Poverty, in 2013 there were 1,989,752 Florida families with 3,894,496 children; 24 percent of those children live in families with incomes below the federal poverty threshold.<sup>3</sup> Below is a breakdown of the 2013 Florida household income demographics for Florida's children as published by Kids Count, a project of the Annie E. Casey Foundation:<sup>4</sup>

- 2,335,000 children are at or below 250 percent of the federal poverty threshold
- 1,967,000 children are at or below 200 percent of the federal poverty threshold
- 1,506,000 children are at or below 150 percent of the federal poverty threshold
- 969,000 children are at or below 100 percent of the federal poverty threshold

The Florida Department of Education's 2014-15 Annual Report on Private Schools<sup>5</sup> states that of the 3,087,957 statewide total PK-12 student enrollment in the 2014-2015 school year, 2,756,944 (89.3 percent) were public school students, and 331,013 (10.7 percent) were private school students at 2,424 private schools.

<u>GRADE LEVEL</u>	<u>STUDENTS</u>	<u>PERCENTAGE OF TOTAL ENROLLMENT</u>
Pre-K	42,929	13.0%
K	25,276	7.6%
1st	23,716	7.2%
2nd	22,865	6.9%
3rd	22,688	6.9%
4th	21,539	6.5%
5th	20,757	6.3%
6th	22,353	6.8%
7th	22,350	6.8%
8th	23,068	7.0%
9th	22,111	6.7%
10th	21,141	6.4%
11th	20,055	6.1%
12th	20,165	6.1%
<b>Total:</b>	<b>331,013</b>	<b>100.0%</b>

<sup>1</sup> <http://quickfacts.census.gov/qfd/states/12000.html>

<sup>2</sup> <http://aspe.hhs.gov/poverty/figures-fed-reg.cfm>

<sup>3</sup> [http://www.nccp.org/profiles/FL\\_profile\\_7.html](http://www.nccp.org/profiles/FL_profile_7.html)

<sup>4</sup> <http://datacenter.kidscount.org/data/tables/5320-children-under-age-18-in-poverty?loc=11&loct=2#detailed/2/any/false/868,867,133,38,35/any/11836,11837>

<sup>5</sup> <http://www.fldoe.org/core/fileparse.php/7562/urlt/Private-School-Report-2014-15.pdf>



The Florida Department of Education's June 2015 FTC Quarterly Report<sup>6</sup> notes that 69,950 students who were enrolled in 1,533 eligible private schools used the Florida Tax Credit (FTC) Scholarship to assist them pay for tuition and fees. For the 2016-17 school year, the FTC Scholarship program expands education opportunities and school choice for children of economically-disadvantaged families earning up to 260 percent of the federal poverty threshold.

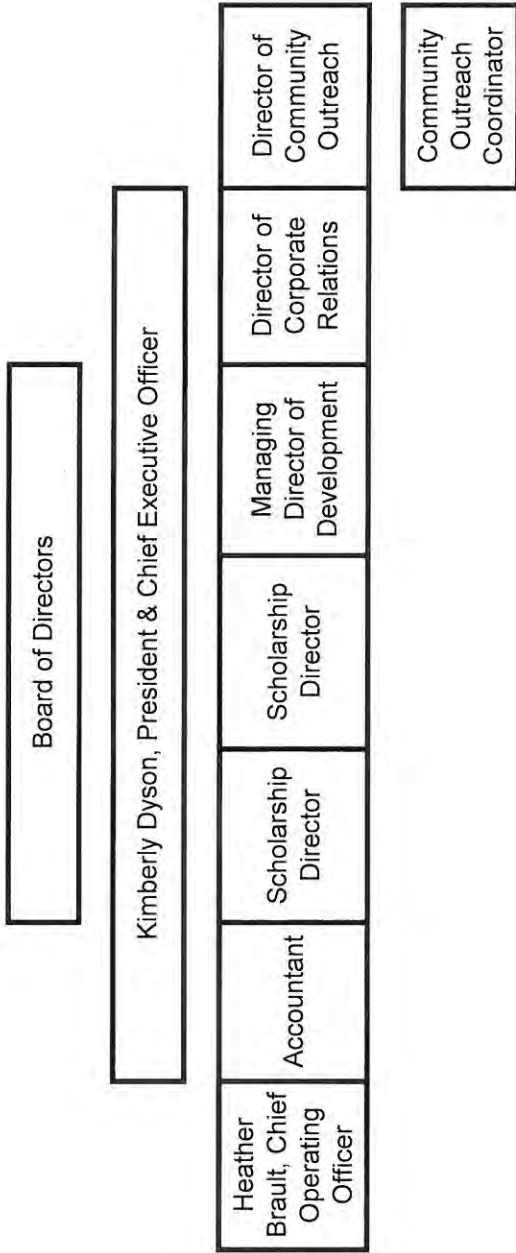
Adjusting for Pre-K students who are not eligible for FTC scholarships, 288,084 private school seats are available for students in grades K – 12 ( $331,013 - 42,929 = 288,084$ ). Assuming an even distribution of students across all Florida private schools, 118.8 K – 12 seats would be available per private school ( $288,084 / 2,424 = 118.8$ ). Extrapolating that to the 1,533 eligible private schools already accepting the FTC scholarships, results in 182,192 seats available for FTC scholarship students ( $1,533 \times 118.8 = 182,192$ ).

Knowing that between 1.9 and 2.3 million Florida children are in households earning between 200 and 250 percent of the federal poverty threshold, it is reasonable to deduce that there may be at least an additional 112,242 eligible students for whom a seat in an eligible private school would be available and who subsequently represent the demand and unmet need for eligible students in Florida ( $182,192 - 69,950 = 112,242$ ).

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<sup>6</sup> <http://www.fldoe.org/core/fileparse.php/7558/urlt/Florida-Tax-Credit-Scholarship-Program-June-2015-QReport.pdf>

AAA Scholarship Foundation, Inc.  
Organizational Chart



Attachment #5

Florida Scholarship Funding Organization  
Annual Application – Attachment  
For the Fiscal Year Ended 6/30/17

**A description of the criteria and methodology that the organization will use to evaluate scholarship eligibility**

In order to qualify for an AAA scholarship, families must provide support for the following requirements:

1. The student's household income is at or below 250 percent of the federal poverty level
  - a. AAA follows the guidelines provided by the National School Lunch Program's USDA Eligibility Manual for School Meals to determine the specific types of income to be included in determining eligibility.
    - i. Income documentation may include, but is not limited to, copies of the signed federal income tax return as filed with the IRS with all supporting schedules, IRS Transcript, year-end award letters/statements for any and all income sources including Cash Assistance (TANF), Food Stamps (SNAP), Social Security Income, Housing Assistance (Section 8, HUD, etc), Workers Compensation, Disability or Retirement, Forms W-2 or 1099.
  - b. AAA uses the guidelines provided by the National School Lunch Program's USDA Eligibility Manual for School Meals to determine household composition.
    - i. Household composition is based on economic units. An economic unit is a group of related or unrelated individuals who are not residents of an institution or boarding house but who are living as one economic unit, and who share housing and/or significant income and expenses of its members. Generally, individuals residing in the same house are an economic unit.
2. The student is currently placed, or during the previous state fiscal year was placed, in foster care or in out-of-home care as defined in s. 39.01
  - a. Documentation from the state of Florida that validates that the child meets the definition of s. 39.01(29) or (48) and specifies the amount of support provided by the state for the benefit of the child.
3. The student is a sibling of an eligible student who is participating in the scholarship program and resides in the same household as the sibling.
4. Resident of Florida
  - a. AAA requires written documentation that an applicant is a resident of Florida.
  - b. Documentation may include tax returns, utility bills, leases, etc.
5. Age Requirement
  - a. AAA requires birth certificates for all children to determine whether they meet the requirement that children must be 5 years old as of September 1.



Florida Scholarship Funding Organization  
Annual Application – Attachment  
For the Fiscal Year Ended 6/30/17

**A description of the application process, including deadlines and any associated fees.**

**1. AAA Contracts with Applications Processor for Application Processing and Eligibility Determination; Applications Processor Contracts with AAA for Application Processing and Eligibility Determination**

The laws governing the administration of the Tax Credit Scholarship Programs in Alabama, Arizona, Florida, Georgia, and Pennsylvania do not require that a third party perform the eligibility determination process. However, AAA's management determined that contracting with a third-party that specializes in needs-analysis would provide objectivity, professionalism and consistency to the process and remove the possible perception of favoritism, impropriety and/or profiteering in the awarding of the scholarships. Thus, AAA began contracting with the same private applications processor used by other scholarship organizations, private schools and foundations around the country.

The applications processor provides needs analysis and qualification analysis services necessary in connection with the administration of tuition assistance programs, scholarship programs, vouchers, and income tax credit programs for numerous organizations around the country. Founded in 1975, they serve over 70 unique Scholarship and Foundation programs across the United States. Their management team has over 80 years of combined financial aid experience and uses its expertise to provide an objective and uniform needs evaluation.

The majority of the eligibility determination costs performed by the applications processor are covered in the \$30 application fee. Since the application fee is for the household, a family may submit multiple students on one application and pay the \$30 fee only once per year. In addition to the application fee, AAA pays the applications processor for other services associated with the eligibility determination process, such as appeal reviews and custom report preparation.

**2. AAA Provides Updates to the Application Form; Applications Processor Modifies the Application Form and System**

Annually, AAA updates the scholarship applications. Reasons for modifications include changes in law, new requirements, changes in the poverty level guidelines established by the United States Department of Health and Human Service, and improvements in language and format for clarity based on feedback and user experience. The applications are available in English and Spanish, and may be available in Creole in the future. The intent of the application is to collect sufficient and valid information from the applicant in order to determine eligibility for the scholarship.



### **3. AAA Develops Scholarship Application Review Guidelines for Applications Processor**

AAA develops the Scholarship Program Guidelines for the applications processor to use in reviewing the applications and making scholarship eligibility determinations.

Development of these guidelines is based on the states' individual statutes, income level criteria, and AAA's knowledge and experience. These instructions are included as part of the applications processor contract and include specific evaluation standards and criteria for use by them. AAA provides guidance on the scholarship eligibility and the processor provides AAA with its suggested process, as well as required forms and documents. AAA approves the process, document list, and forms, or suggests adjustments as needed.

As noted in #11 below, AAA audits a sample of each state's completed applications to help ensure that the applications processor is following the guidelines and is making accurate eligibility determinations.

### **4. AAA Distributes Scholarship Applications to Potential Recipients**

AAA provides links to each state's application on its website for an applicant to complete. AAA also conducts outreach and education about the scholarship – providing hard copy applications at face-to-face meetings, expos, and during other opportunities.

Students are awarded multi-year scholarships for Arizona and Georgia, and 1-year scholarships for Alabama, Florida Nevada and Pennsylvania. If a scholarship student does not renew the application by a certain time of the year, AAA attempts to reach the household through various methods.

### **5. Applicant Completes Online Scholarship Application; Applicant Submits Completed Scholarship Application to Applications Processor**

Families and student applicants can access an online application or complete and print a fillable pdf application via the AAA website. They can also print a hard copy of the application, sign it, and upload, mail or fax it along with copies of supporting documentation to the applications processor. Regardless of the chosen application method, AAA requires that the parent/guardian print and sign the last page of the application so that their signature can be used to verify the endorsement on the scholarship check during the check audit process if they are found eligible.



## **6. Applications Processor Enters Scholarship Application into Secure Database**

The applications processor maintains a secure database of all applications. Applicants may log onto the applications processor secure website to view their application status, students applied for within the household, and a checklist indicating what has been completed and what information is still needed. AAA staff may log onto the applications processor's secure website to view an image of the scanned application, supporting documentation and to run reports.

## **7. Applications Processor Reviews Scholarship Application for Completeness**

The applications processor performs an initial review of the application for completeness. If the application is missing required information necessary for the applications processor to determine eligibility, the application status is set to "on hold." The applications processor sends a letter to the applicant indicating the application has been set to the "on hold" status, with a checklist indicating additional information needed. (See step #9 for a full discussion of the "on hold" process).

Much of the AAA scholarship processing operations are broken into stages and therefore the applications processor staff assigned to a given applicant varies based on the stage of the application at a given time. Generally, there is an assigned account manager for the applicant, who works closely with a team of fulltime applications processor staff members to manage applications, parent/guardian phone calls, client requests, and processing requirements. Ten cross-trained fulltime employees are also assigned to handle high call volume and application processing. These additional staff members ensure ease of flow and timeliness in application processing. During the applications processor's peak season, there is an overall staff of 90 to meet the needs of all customers in addition to AAA. During the slower season, the staff decreases to around 40-45 employees. Most staff members are cross-trained to work in many areas so that when necessary, they can step in to assist with heavy volume. There are also additional staff members whose expertise is utilized for other various tasks.

## **8. Applications Processor Provides Telephone Support to Families; AAA Provides Telephone Support to Families**

The applications processor has a toll-free number listed on the cover of the scholarship application, its website, and all communications for applicants to call if they have questions about their application or status. The applications processor receives these calls and routes them to the dedicated applications processor staff depending on the inquiry. In addition, the applications processor initiates phone calls to families and applicants whose applications have been put on hold, as detailed below in step #9.



In all cases, the applications processor documents phone contacts in an electronic call log, including a summary of the information the applications processor provided to the caller.

AAA also takes phone calls from families/students seeking scholarships and answers additional questions arising after the application process has been completed. Most calls are for basic information and are resolved quickly. However, if the caller becomes upset or abusive, the staff member may request that a senior staff member assist with the call.

#### **9. Applications Processor Follows the Hold/Expired Process Required by AAA**

The contract with the applications processor includes specific guidelines it must follow for each application in the "on hold" status. During processing and reviewing, all applications are set to "in process." If an application had been set to "on hold" and the applications processor has since received the needed documentation, the application will be updated to the "in process" status as the documentation is reviewed. If all required documents are received and a determination of eligibility can be made, then the application can be deemed complete. However, if the application is still missing vital documentation, the application will be set back to "on hold" and the process of obtaining the appropriate information will begin again. The application cannot be officially labeled as complete until all documentation is received and an eligibility decision has been determined.

The first letter notifying the family/student the application is on hold is sent along with a timeframe for response. There is a 45-day deadline and a 60-day deadline. The following describes the hold/expired process.

- A. The applications processor calls the applicant within 48 hours of the application status being set to "on hold." The purpose of the call is to inform the applicant a letter is being sent about the hold status, explain the reasons for the hold, and answer any questions regarding the reasons for the application status. They also email the applicant if an email address is provided.
- B. If the application is still on hold after 30 days, the applications processor places an additional phone call to the applicant requesting the information and needed documents. If attempts to contact the applicant are unsuccessful, another letter is sent to the household.
- C. If the applications processor determines the family has not sent the required documents because the request was not understood, the applications processor places a phone call to provide additional counsel to the applicant.



- D. If a family/applicant indicates he or she does not wish to continue with the application process, the application is marked as "completed" by the applications processor, with each student being noted as ineligible due to "withdrawal from application process."
- E. If the family fails to respond to the second notice and any additional phone calls, the application will be considered "completed - ineligible due to failure to document eligibility in a timely manner" by the applications processor. The household is then sent a letter of ineligibility. If the household later decides to finish the application by sending in the required documentation, the application status is returned to "on hold" and the documentation is processed without additional charge.

#### **10.Applications Processor Determines Applicant's Scholarship Eligibility**

Based on the guidelines established by AAA, a senior staff member reviews all complete applications and determines whether an applicant satisfies the eligibility criteria for the scholarship. A cover sheet for each application is prepared, indicating key data associated with the application, such as student eligibility, criteria for eligibility, and summary supporting eligibility determination. The application, supporting documents and cover sheet are available to AAA via the applications processor's secure website.

#### **11.AAA Performs Random Audit on Application; AAA Sends Application Back to Applications Processor with Error Details to be Reprocessed**

AAA performs an audit of the lesser of 10 percent or 25 randomly selected completed applications per week during the contract period. In the event AAA discovers discrepancies, the applications processor will be required to address the errors and reprocess the affected applications.

#### **12.AAA Notifies the Applicant of Eligibility Determination**

AAA mails a letter to the applicants notifying them of their scholarship eligibility determination. All determination letters are sent via postal mail to the address listed on the application to help prevent "ghost students." If eligible, the applicant receives an award letter accompanied with a school commitment form. The applicant selects a private school compliant with that state's Department of Education, and hand-delivers the form to the school. The school and parent/guardian complete the form, sign it and return it to AAA by the state deadline date.



If the applications processor determines the applicant is ineligible for the scholarship, AAA mails the applicant a denial letter explaining the reason(s) why the scholarship was denied and the appeals process (see #15 below).

### **13. Applications Processor Generates Weekly Standard Reports; AAA Receives Weekly Standard Reports**

The applications processor generates and makes available on their secure website standard reports in Microsoft Excel format. AAA imports data from these reports into a secure Microsoft Access database. Four standard reports are currently being provided:

- Cumulative report of all completed student applications, both eligible and ineligible, with tabs for each type of student (Renewal, Add-On, and New)
- Hold report
- In-process report
- Numbers breakdown

### **14. Applications Processor Scans and then mails all Applications and Supporting Documents to AAA**

The applications processor scans then mails all applications and supporting documents to AAA. AAA staff has access to all scanned images through the applications processor's secure website.

### **15. Applicant Appeals Ineligibility; AAA Reviews Appeal**

An applicant who has been determined ineligible will receive a denial letter explaining the reason(s) why (see step #12). The applicant may then contact AAA to appeal the decision. Requests for appeal are allowed only for inaccuracies in data, including misinterpretations of the data made by the applications processor. If the AAA staff deems there was a misinterpretation of the application data, the AAA staff forwards an explanation to the applications processor and requests the application be re-evaluated.



## **16.AAA Requests Administrative Support; Applications Processor Provides Administrative Support**

The applications processor responds to any request from AAA that is not typical and that requires management intervention. This includes, but is not limited to, such things as the following:

- Management review of specific processed applications
- Additional report requests
- Family history requests

## **17.Applicant Selects an Approved School and Hand Delivers School Commitment Form; School Completes School Commitment Form and Sends to AAA; AAA Enters Data**

Once families/applicants receive a scholarship award letter, they must select a state-approved private school to attend. The family must deliver the School Commitment Form to the selected school, and both a parent/guardian and a school administrator must complete and sign it. The completed, signed form must then be sent to AAA by the school by the deadline date. AAA's secure Microsoft Access database is updated with this information. If AAA does not receive this information by the deadline date, it contacts the applicant.

In some cases, a student may be awarded a scholarship, but then chooses not to accept it. If an applicant decides to decline the scholarship, the secure Access database will be updated to show a status of "forfeit."

If a student transfers the scholarship to a different school, the parent/guardian must bring the School Commitment Form to the new school where both they and the school administrator complete and sign it then send it to AAA. The exiting school is required to submit a withdrawal form to AAA.

## **18.Applicant Renews Application**

A household may renew its scholarship after the award period ends. This process may vary from state to state.

*Arizona and Georgia* – AAA awards multi-year scholarships to students of households that qualify. In this case, the household only needs to apply once for the first year and pay the \$30 application fee. However, a School Commitment form is required for each new school year in order for the student to remain on the scholarship. At the end of the multi-year term, the household may renew for an additional multi-year period.

The renewal process involves completing a new AAA scholarship application form, providing the \$30 fee, and, if eligible, delivering the School Commitment form to the approved school. Please refer to steps #5 through 12 for the application review process.

*Alabama, Florida Nevada and Pennsylvania* – AAA awards 1-year scholarships to students of households that qualify. The renewal process involves completing a new AAA scholarship application form, providing the \$30 fee, and, if eligible, delivering the School Commitment Form to the approved school. Please refer to steps #5 through 12 for the application review process.

**Scholarship Program Guidelines – Required Documentation (as applicable):**

- Signed and completed application; and
- Documentation of each household member's income including but not limited to:
  - Copies of the signed federal income tax return as filed with the IRS with all supporting schedules,
  - IRS Transcript,
  - Year-End award letters/statements for any and all income sources including Cash Assistance (TANF), Food Stamps (SNAP), Social Security Income, Housing Assistance (Section 8, HUD, etc), Workers Compensation, Disability or Retirement;
  - Forms W-2 or 1099; and
- Birth Certificates for participating students; and
- Documentation verifying a separated parent/guardian address; and
- Documentation verifying placement in foster care or out-of-home care; and
- A letter explaining a "special circumstance" if the family's documented income does not reflect the income that will be available during the school year; and
- Documentation of prior year public school attendance; and
- Additional documentation as requested.



Florida Scholarship Funding Organization  
Annual Application – Attachment  
For the Fiscal Year Ended 6/30/17

**A description of the deadlines for attendance verification and scholarship payments.**

Once a household is determined eligible, they are provided with an award letter and school enrollment form for each scholarship student. The parent or guardian takes the award letter and school enrollment form to the eligible school of their choice and enrolls their student(s). The school returns the completed school enrollment form to AAA certifying that the student has accepted the scholarship and enrolled in an eligible private school.

Four times during the school year, AAA sends the school a verification form to ascertain whether the student remains enrolled and is current on any funds personally owed to the school. Below is the calendar for the verification and scholarship payments for the 2015-2016 school year:

1. 1st Distribution
  - a. Monday September 14th 2015 Verification Reports Sent
  - b. Friday September 18th 2015 Verification Reports Due
  - c. Tuesday September 22nd 2015 Checks Mailed
2. 2nd Distribution
  - a. Monday November 9th 2015 Verification Reports Sent
  - b. Friday November 13th 2015 Verification Reports Due
  - c. Tuesday November 17th 2015 Checks Mailed
3. 3rd Distribution
  - a. Monday February 1st 2016 Verification Reports Sent
  - b. Friday February 5th 2016 Verification Reports Due
  - c. Tuesday February 9th 2016 Checks Mailed
4. 4th Distribution
  - a. Monday April 11th 2016 Verification Reports Sent
  - b. Friday April 15th 2016 Verification Reports Due
  - c. Tuesday April 19th 2016 Checks Mailed

Once the verification report is received back, AAA disburses one quarter of the scholarship award in the form of a check made payable to the parent/guardian but for deposit only by the school. The parent/guardian must restrictively endorse the check over to the school before it can be deposited.

If the school is not meeting the needs of the scholarship student, the parent/guardian may transfer the student and the student's scholarship to a different eligible private school at any time.



Attachment #9

## Conflicts of Interest Policy

### Article I Purpose

The purpose of the conflict of interest policy is to protect AAA Scholarship Foundation's (the "Organization") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### Article II Definitions

#### 1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

#### 2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### Article III Procedures

#### 1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

#### 2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

#### 3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the



disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

#### **4. Violations of the Conflicts of Interest Policy**

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **Article IV Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### **Article V Compensation**

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

#### **Article VI Annual Statements**

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

#### **Article VII Periodic Reviews**

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

#### **Article VIII Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.



Please complete the form below and fax or email it to Kim Dyson at 888-707-2465 or kim@aaascholarships.org.

I, \_\_\_\_\_, am a Director, Principal Officer or Member of a committee with governing board delegated powers of AAA Scholarship Foundation, Inc. and I

- a. Have received a copy of the conflicts of interest policy,
- b. Have read and understands the policy,
- c. Have agreed to comply with the policy, and
- d. Understand the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date Signed



## Policy on Fraud and Employee Protection (Whistleblower)

### Article 1 - General

AAA Scholarship Foundation, Inc. (the "Organization") requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Organization, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

### Article II - Reporting Responsibility

It is the responsibility of all directors, officers and employees to report misconduct, dishonesty and fraud or suspected violations of misconduct, dishonesty and fraud in accordance with this Policy.

### Article III - No Retaliation

No director, officer or employee who in good faith reports a violation or suspected violation shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Policy is intended to encourage and enable employees and others to raise serious concerns within the Organization prior to seeking resolution outside the Organization.

### Article IV – Examples of Misconduct, Dishonesty and Fraud

For purposes of this policy, misconduct, dishonesty and fraud include but are not limited to:

- Acts which violate the organization's Code of Conduct
- Theft or other misappropriation of assets, including assets of the Organization, our donors, constituents, suppliers or others with whom we have a business relationship
- Misstatements and other irregularities in Organization records, including the intentional misstatement of the results of operations
- Profiteering as a result of insider knowledge of Organization activities
- Disclosing confidential and proprietary information to outside parties
- Forgery or other alteration of documents
- Accepting or seeking anything of value from constituents, donors, contractors, vendors, or other persons providing services/materials to the Organization.
- Fraud and other unlawful acts
- Any similar acts or related irregularity

### Article V - Reporting Violations

The Organization has an open door policy and suggests that you share your questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, your supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to call our toll-free hotline at 1-877-767-7781 or email [AAAScholarships@getintouch.com](mailto:AAAScholarships@getintouch.com) with your concern.

### Article VI - Compliance Officer

The Organization's Compliance Officer is responsible for investigating and resolving all violations or suspected violations. The Compliance Officer is the Chief Executive Officer. Additionally, a member of the Board of Directors will be responsible for investigating and resolving all reported violations or suspected violations by the Compliance Officer.

### Article VII - Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.



**Article VIII - Confidentiality**

Violations or suspected violations may be submitted on a confidential and anonymous basis. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

**Article IX - Handling of Reported Violations**

All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation. You may call back the toll-free hotline at 1-877-767-7781 within three to four days after leaving your message or sending your email to hear a message from the Organization regarding the status of your case. You will be asked to enter the five-digit case number that was provided at the time of the report. At least annually, a report will be made to the full Board of Directors of all reported violations or suspected violations and the results of all investigations during the year.

**ACKNOWLEDGEMENT OF RECEIPT AND UNDERSTANDING OF POLICY ON FRAUD AND  
EMPLOYEE PROTECTION (WHISTLEBLOWER)**

My signature below indicates my receipt and understanding of this policy. It also verifies that I have been provided with an opportunity to ask questions about the policy.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Employee Name

State of Florida

SCHOLARSHIP FUNDING ORGANIZATION BOND

Bond No. OFL 2141261  
(To be Assigned by Surety)

Know All Men By These Presents, that we AAA Scholarship Foundation-FL, LLC  
(Principal)

located at 13528 Prestige Place, Suite 107, Tampa FL 33635  
(Address of Principal)

as Principal and Old Republic Surety Company, a corporation of the State of Wisconsin  
(Surety Company)

lawfully doing business in the State of Florida, as Surety, are held and firmly bound unto an eligible nonprofit scholarship-funding organization for the use and benefit of any student who would have had scholarships funded but for a diversion of funds giving rise to the claim against this bond in the sum of \$150,000.00 for which sum well and truly to be paid to the eligible nonprofit scholarship-funding organization said Principal and Surety bind themselves, their heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

Whereas, the above bounded Principal, a "Scholarship Funding Organization," desires to operate its organization at the above stated location as authorized by and in conformity with the provisions of the Florida Statutes and all rules and regulations promulgated by the Department of Education thereunder, and

Whereas, said "Florida K-20 Education Code" requires the filing of a letter of credit or a surety bond in the sum of \$ 150,000.00 (as determined by the formula in section 1002.395, F.S., adjustable quarterly to equal the actual amount of undisbursed funds based upon submission by the organization of a statement from a certified public accountant verifying the amount of undisbursed funds) before a 'Certificate of Authorization' can be issued to the organization.

Now, Therefore, The Condition Of This Obligation is that if the Principal or any of its officers, agents, or employees, shall well and truly perform its obligations as set forth under section 1002.395, F.S., or if the parties shall promptly pay all damages or expenses which the eligible nonprofit scholarship-funding organization sustains as a result of any such failure to perform said obligations as long as the Principal remains certified as a "Scholarship Funding Organization", then this obligation shall be null and void; otherwise it shall remain in full force and effect.

1. The aggregate Liability of the Surety shall not exceed the sum amount of the bond, as required by section 1002.395, F.S., on all breaches of the condition of the bond by the Principal and its officers, agents, or employees, nor shall the sum of the bond be considered cumulative from year to year. Should the Principal fail with respect to any of its statutory obligations under section 1002.395, F.S., and not pay all damages and expenses incurred by a nonprofit scholarship-funding organization resulting from such failure to perform such obligations, immediately upon demand, then Surety will be obligated to pay such damages and expenses hereunder up to the amount of such bond.

2. The Surety shall have the right to cancel this bond at any time by written notice, stating when the cancellation shall take effect and served by registered mail to the Office of Independent Education and Parental Choice at least thirty (30) days prior to the date that the cancellation becomes effective, but said Surety so filing said notice shall not be discharged from any liability already accrued or incurred under this bond or which shall accrue or incur hereunder before the expiration of said thirty (30) day period, whether known or unknown at the time of expiration.

3. Without limiting the effect of any other provision herein which is not in conflict therewith, this bond is to be construed as a statutory bond under the provision of section 1002.395, F.S., the Florida K-20 Education Code.

Signed and sealed this 18th day of July 20 15.

Attest

[Signature]  
(Witness)

[Signature]  
(Witness) Sharon Cornell

AAA Scholarship Foundation-FL, LLC  
(Seal)

By [Signature]  
(Principal)  
Old Republic Surety Company  
(Surety)

By [Signature]  
Joseph W. LoPresti, Attorney-In-Fact &  
Florida Resident Agent  
P.O. Box 173086, Tampa FL 33672  
Phone: 813-226-1322





KNOW ALL MEN BY THESE PRESENTS: That OLD REPUBLIC SURETY COMPANY, a Wisconsin stock insurance corporation, does make, constitute and appoint:

JOSEPH W. LOPRESTI, RUSSELL STEVEN AYERS, MARY JANE GWYN, CHRISTINA M. BUSH, ANNA LEE DUNCAN, OF TAMPA, FL

its true and lawful Attorney(s)-in-Fact, with full power and authority, not exceeding \$20,000,000, for and on behalf of the company as surety, to execute and deliver and affix the seal of the company thereto (if a seal is required), bonds, undertakings, recognizances or other written obligations in the nature thereof, (other than bail bonds, bank depository bonds, mortgage deficiency bonds, mortgage guaranty bonds, guarantees of installment paper and note guaranty bonds, self-insurance workers compensation bonds guaranteeing payment of benefits, asbestos abatement contract bonds, waste management bonds, hazardous waste remediation bonds or black lung bonds), as follows:

ALL WRITTEN INSTRUMENTS IN AN AMOUNT NOT TO EXCEED AN AGGREGATE OF ONE MILLION DOLLARS(\$1,000,000)----- FOR ANY SINGLE OBLIGATION, REGARDLESS OF THE NUMBER OF INSTRUMENTS ISSUED FOR THE OBLIGATION.

and to bind OLD REPUBLIC SURETY COMPANY thereby, and all of the acts of said Attorneys-in-Fact, pursuant to these presents, are ratified and confirmed. This document is not valid unless printed on colored background and is multi-colored. This appointment is made under and by authority of the board of directors at a special meeting held on February 18, 1982. This Power of Attorney is signed and sealed by facsimile under and by the authority of the following resolutions adopted by the board of directors of the OLD REPUBLIC SURETY COMPANY on February 18, 1982.

RESOLVED that, the president, any vice-president, or assistant vice president, in conjunction with the secretary or any assistant secretary, may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the company to execute and deliver and affix the seal of the company to bonds, undertakings, recognizances, and suretyship obligations of all kinds; and said officers may remove any such attorney-in-fact or agent and revoke any Power of Attorney previously granted to such person.

- RESOLVED FURTHER, that any bond, undertaking, recognizance, or suretyship obligation shall be valid and binding upon the Company
- (i) when signed by the president, any vice president or assistant vice president, and attested and sealed (if a seal be required) by any secretary or assistant secretary; or
  - (ii) when signed by the president, any vice president or assistant vice president, secretary or assistant secretary, and countersigned and sealed (if a seal be required) by a duly authorized attorney-in-fact or agent; or
  - (iii) when duly executed and sealed (if a seal be required) by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority evidenced by the Power of Attorney issued by the company to such person or persons.

RESOLVED FURTHER, that the signature of any authorized officer and the seal of the company may be affixed by facsimile to any Power of Attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the company; and such signature and seal when so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, OLD REPUBLIC SURETY COMPANY has caused these presents to be signed by its proper officer, and its corporate seal to be affixed this 24TH day of JULY, 2013.

*Phyllis M. Johnson*  
Assistant Secretary



OLD REPUBLIC SURETY COMPANY

*Alan Pavlic*  
President

STATE OF WISCONSIN, COUNTY OF WAUKESHA-SS

On this 24TH day of JULY, 2013, personally came before me, Alan Pavlic and Phyllis M. Johnson, to me known to be the individuals and officers of the OLD REPUBLIC SURETY COMPANY who executed the above instrument, and they each acknowledged the execution of the same, and being by me duly sworn, did severally depose and say; that they are the said officers of the corporation aforesaid, and that the seal affixed to the above instrument is the seal of the corporation, and that said corporate seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority of the board of directors of said corporation.



*Kathy R. Pearson*  
Notary Public  
My commission expires: 9/28/2014

**CERTIFICATE**

I, the undersigned, assistant secretary of the OLD REPUBLIC SURETY COMPANY, a Wisconsin corporation, CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and furthermore, that the Resolutions of the board of directors set forth in the Power of Attorney, are now in force.

92-3454



Signed and sealed at the City of Brookfield, WI this 18<sup>th</sup> day of July, 2015

*Janet E. Cherry*  
Assistant Secretary

BROWN & BROWN OF FLORIDA, INC.





Brown & Brown of Florida, Inc.  
P.O. Box 173086  
Tampa, Florida 33672  
(813) 226-1300  
(813) 226-1313 Fax

July 15, 2015

AAA Scholarship Foundation-FL, LLC  
13528 Prestige Place, Suite 107  
Tampa, FL 33635

**Bond Type:** License & Permit Bond  
**Bond No.:** OFL2141261  
**Bond Term:** 07/18/15 to 07/18/16  
**Obligee:** State of Florida  
**Surety:** OLD REPUBLIC SURETY CO

Dear Kim:

Enclosed is the renewal bond effective 7/18/2015 issued on the new bond form as requested.  
Please review and let us know if there are any changes needed.

We appreciate your business and look forward to hearing from you.

Sincerely,

A handwritten signature in cursive script that reads "Sheron Cornell".

Sheron Cornell  
Bond Account Manager

Enclosure



October 29, 2014

Auditor General  
 Local Government Audits/342  
 Claude Pepper Building, Room 401  
 111 W. Madison St.  
 Tallahassee, FL 32399-1450

Dear Sirs,

Enclosed, please find the July 1, 2013 – June 30, 2014 fiscal year audit report for AAA Scholarship Foundation – FL, LLC, a Florida scholarship funding organization.

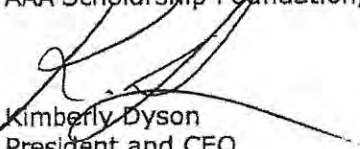
As required, the audit report is being sent as a single document and includes the following:

- (a) A table of contents.
- (b) The auditor's report on the financial statements.
- (c) A report on internal control and compliance based on an audit of the financial statements in accordance with auditing standards generally accepted in the United States of America and government auditing standards.
- (d) The basic financial statements and required supplementary information required by generally accepted accounting principles.

We believe that this satisfies our requirement under Section 1002.395, Florida Statutes and Rules of the Auditor General Chapter 10.700, however, please do not hesitate to contact us if any additional information is required.

Sincerely,

AAA Scholarship Foundation, Inc.



Kimberly Dyson  
President and CEO

cc: The Florida Department of Education  
 Commissioner of Education  
 325 W. Gaines St., Suite 1514  
 Tallahassee, FL 32399-0400

**AUDITOR GENERAL**  
**CERTAIN NONPROFIT ORGANIZATIONS – SUBMITTAL CHECKLIST FOR AUDIT**  
**REPORTS SUBMITTED PURSUANT TO CHAPTER 10.700, RULES OF THE AUDITOR GENERAL**

Entity Name AAA Scholarship Foundation - FL, LLC

Contact Person Name and Title Kim Dyson, President and CEO **COPY**

Contact Person Mailing Address PO Box 15719, Tampa, FL 33684-0719

Contact Person Phone Number 888-707-2465

Contact Person Email Address kim@aaascholarships.org

Fiscal Year Audited July 2013 - June 2014

Date Auditor Delivered Audit Report to Local Government 10/23/2014

Does the audit report include the following items required by Auditor General Rule 10.730(4):

**Required only for direct support and citizen support organizations and the Babcock Ranch, Inc.:**

NA The auditor's report on internal control and compliance based on an audit of the financial statements (see AG Rule 10.730(4)(c))?

**Required only for scholarship funding organizations, Enterprise Florida, Inc., and the Scripps Florida Funding Corporation:**

YES The auditor's report on compliance and internal control over compliance (see AG Rule 10.730(4)(d))?

**Required for direct support and citizen support organizations, scholarship funding organizations, Enterprise Florida, Inc., Scripps Florida Funding Corporation, and the Babcock Ranch, Inc.:**

YES The financial statements reported on, together with related notes to the financial statements and required supplementary information, required by generally accepted accounting principles (see AG Rule 10.730(4)(f))?

YES The auditor's report on the financial statements (see AG Rule 10.730(4)(b))?

NA If applicable, the auditor's reports and related financial information required pursuant to the Federal *Single Audit Act Amendments of 1996*; OMB Circular A-133; the *Florida Single Audit Act*; Chapter 10.650, Rules of the Auditor General; or other applicable Federal and State law (see AG Rule 10.730(4)(e))?

In addition to the above, have the following requirements been complied with:

YES Are all of the elements of the audit report, as prescribed by Auditor General Rule 10.730, included in a **single document** (see AG Rule 10.730(4))?

*Kim Dyson*  
10/23/14



- YES Is the audit report being submitted no later than 9 months after the end of the fiscal year, with the exception of Babcock Ranch, Inc., which is to submit its audit report no later than 3 months following the end of its fiscal year (see AG Rule 10.730(5))?
- YES For scholarship funding-organizations, is the audit report being submitted no later than 180 days after completion of the fiscal year of the auditee (see AG Rule 10.730(5))?
- NA For Enterprise Florida, Inc., and the Scripps Florida Funding Corporation, is the audit report being submitted within 45 days of delivery of the audit report to the auditee, but no later than 9 months after the end of the fiscal year of the auditee (see AG Rule 10.730(5))?

COPY

**This checklist should accompany the audit report.** It is suggested that you retain a copy of the checklist for your files. Do not hesitate to contact this office if assistance or clarification is needed regarding reporting requirements. Our telephone and fax numbers, and electronic addresses, are as follows:

Address –  
Auditor General  
Local Government Audits/342  
Claude Pepper Building, Room 401  
111 West Madison Street  
Tallahassee, FL 32399-1450

Telephone: (850) 412-2881  
Fax: (850) 487- 4403

E-mail Address: flaudgen\_localgovt@aud.state.fl.us  
Web Site Address: www.myflorida.com/audgen

10/12  
44



COPY

**Financial Statements**  
Together with Report of Independent Certified Public Accountant  
For the Years Ended June 30, 2014 and 2013

and

Independent Auditor's Report on Compliance and  
on Internal Control over Compliance  
For the Year Ended June 30, 2014

Offices: Alabama • Arizona • Florida • Georgia • Pennsylvania  
Corporate Office: 13528 Prestige Place, Suite 107, Tampa, FL 33635  
Phone and Fax: 888-707-2465 • Website: [www.aaascholarships.org](http://www.aaascholarships.org)

AAA SCHOLARSHIP FOUNDATION, INC.

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*Handwritten signature*  
10/2/14



INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT

To the Board of Directors of  
AAA Scholarship Foundation, Inc.

We have audited the accompanying financial statements of AAA Scholarship Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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. 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 audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AAA Scholarship Foundation, Inc. as of June 30, 2014 and 2013, 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.

*S G Cash LLC*

Athens, Georgia  
October 22, 2014

**AAA SCHOLARSHIP FOUNDATION, INC.**

**Statements of Financial Position  
As of June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash	\$ 547,334	\$ 490,342
Cash - Restricted	10,967,245	7,468,443
Certificate of deposit	15,121	15,106
Pledges receivable	1,139,090	126,090
Other assets	<u>10,175</u>	<u>3,185</u>
Total assets	\$ <u>12,678,965</u>	\$ <u>8,103,166</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 24,413	\$ 20,016
Scholarships payable - current	4,243,740	3,787,779
Scholarships payable - net of current portion	<u>7,949,899</u>	<u>4,403,058</u>
Total liabilities	<u>12,218,052</u>	<u>8,210,853</u>
Commitments and contingencies	-	-
Net assets:		
Unrestricted	(795,090)	(107,687)
Temporarily restricted	1,256,003	-
Permanently restricted	-	-
Total net assets	<u>460,913</u>	<u>(107,687)</u>
Total liabilities and net assets	\$ <u>12,678,965</u>	\$ <u>8,103,166</u>

The accompanying notes are an integral part of these financial statements

*Handwritten signature/initials*

AAA SCHOLARSHIP FOUNDATION, INC.

Statements of Activities and Changes in Net Assets  
For the years ended June 30, 2014 and 2013

	Year Ended June 30, 2014				Year Ended June 30, 2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support -								
- (t of administrative allowance)	\$ -	\$ 7,964,080	\$ -	\$ 7,964,080	\$ -	\$ 6,359,400	\$ -	\$ 6,359,400
- allowance	748,266	-	-	748,266	706,600	-	-	706,600
	9,000	-	-	9,000	2,409	-	-	2,409
	-	12,727	-	12,727	-	4,602	-	4,602
- (d from restrictions)	6,720,805	(6,720,805)	-	0	6,364,002	(6,364,002)	-	0
- (emise and other support)	7,478,071	1,256,002	-	8,734,073	7,073,011	0	-	7,073,011
- (scholarships)	7,818,213	-	-	7,818,213	6,857,653	-	-	6,857,653
- (general)	17,604	-	-	17,604	122,716	-	-	122,716
	329,656	-	-	329,656	143,474	-	-	143,474
- (penses)	8,165,473	-	-	8,165,473	7,123,843	-	-	7,123,843
	(687,402)	1,256,002	-	568,600	(50,832)	0	-	(50,832)
- (of year)	(107,687)	0	-	(107,687)	(56,855)	0	-	(56,855)
	\$ (795,089)	\$ 1,256,002	\$ -	\$ 460,913	\$ (107,687)	\$ 0	\$ -	\$ (107,687)

The accompanying notes are an integral part of these financial statements



AAA SCHOLARSHIP FOUNDATION, INC.

Statements of Cash Flows  
For the years ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Change in net assets	\$ 568,600	\$ (50,832)
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Changes in assets and liabilities:		
Pledges receivable	(1,013,000)	(1,090)
Other assets	(6,990)	(3,168)
Accounts payable and accrued expenses	4,397	14,307
Scholarships payable	<u>4,002,802</u>	<u>5,551,699</u>
Net cash provided by operating activities	<u>3,555,809</u>	<u>5,510,916</u>
Cash used in investing activities:		
Purchase of investments	<u>(15)</u>	<u>(16)</u>
Net cash used by investing activities	<u>(15)</u>	<u>(16)</u>
Net change in cash	3,555,794	5,510,900
Cash at beginning of year	<u>7,958,785</u>	<u>2,447,885</u>
Cash at end of year	<u>\$ 11,514,579</u>	<u>\$ 7,958,785</u>

The accompanying notes are an integral part of these financial statements

*KSR*  
10/29/14

AAA Scholarship Foundation, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6. Functional Allocation of Expenses

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

7. Accounting Estimates

The presentation of financial statements in conformity with U. S. 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 revenue's and expenses during the reporting period. Actual results could differ from those estimates.

8. Income Taxes

In 2006, the FASB issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109*, (FIN 48), which clarifies the accounting for uncertainty in tax positions. FIN 48 has been codified in FASB ASC 740-10. FIN 48 requires that the Association recognize in the financial statements the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. AAA adopted the provisions of FIN 48 as of July 1, 2009. AAA is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. At June 30, 2012 and 2013, there are no deferred tax assets and liabilities or current income tax expense.

No interest or penalties resulting from an underpayment of income taxes have been recognized in the statement of activities or in the statement of financial position. AAA has no positions for which it believes it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within the next twelve months. The tax years 2014 through 2010 remain subject to examination by the Internal Revenue Service.

NOTE B - PLEDGES RECEIVABLE

Pledges receivable at June 30 consists of the following:

	<u>2014</u>	<u>2013</u>
Pledges due within one year	\$ <u>1,139,090</u>	\$ <u>126,090</u>

At June 30, 2014 and 2013, all pledges receivable are expected to be collected during the next year. Management has determined that the pledges receivable are fully collectible; therefore, no allowance for uncollectible pledges is considered necessary at June 30, 2014 and 2013.

AAA Scholarship Foundation, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2014 and 2013

NOTE C – SCHOLARSHIP CONTRIBUTIONS

During the fiscal years ended June 30, 2014 and 2013, AAA received re-directed taxes from taxpayers in Georgia, Arizona, Pennsylvania and Alabama. Each state Tax Credit Scholarship Program requires that contributions received under the program after administrative allowance and all interest earned on contributions must be used for scholarships.

During the fiscal year ended June 30, 2014, AAA recorded the following re-directed taxes as contributions:

Georgia Private School Tax Credit Scholarship Program	\$120,000
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$6,589,466
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$180,000
Pennsylvania Opportunity Scholarship Tax Credit	\$1,000,000
Alabama Educational Scholarship Program	\$222,880
Florida Tax Credit Scholarship Program	\$600,000

Of the re-directed taxes recorded as contributions, the following pledges were outstanding and deemed as collectible as June 30, 2014:

Pennsylvania Opportunity Scholarship Tax Credit	\$500,000
Alabama Educational Scholarship Program	\$36,500
Florida Tax Credit Scholarship Program	\$600,000

During the fiscal year ended June 30, 2014, AAA claimed the following administrative allowances against contributions:

Georgia Private School Tax Credit Scholarship Program	\$12,000
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$658,946
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$18,000
Pennsylvania Opportunity Scholarship Tax Credit	\$50,000
Alabama Educational Scholarship Program	\$9,319

During the fiscal year ended June 30, 2014, AAA earned the following interest on cash restricted for scholarships:

Georgia Private School Tax Credit Scholarship Program	\$4,503
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$7,755
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$27
Pennsylvania Opportunity Scholarship Tax Credit	\$367
Alabama Educational Scholarship Program	\$74

During the fiscal year ended June 30, 2013, AAA recorded the following re-directed taxes as contributions:

Georgia Private School Tax Credit Scholarship Program	\$3,933,000
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$3,133,000

Georgia contributions totaling \$126,000 were not collected until July 2013.



AAA Scholarship Foundation, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

NOTE C – SCHOLARSHIP CONTRIBUTIONS – CONTINUED

During the fiscal year ended June 30, 2013, AAA claimed the following administrative allowances against contributions:

Georgia Private School Tax Credit Scholarship Program	\$393,300
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$313,300

During the fiscal year ended June 30, 2013, AAA earned the following interest on cash restricted for scholarships:

Georgia Private School Tax Credit Scholarship Program	\$3,025
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$1,577

NOTE D – SCHOLARSHIPS AWARDED AND PAYABLE

AAA scholarships are awarded to qualified students for multi-year periods in Georgia and Arizona and for a one year period in Pennsylvania, Alabama and Florida. To qualify for a scholarship, a student and the parents or guardian of that student must meet certain state and AAA requirements, enroll in an eligible private school and comply with certain other responsibilities for program participation. For multi-year scholarships the parents or guardian must return a completed School Commitment Form by the specified deadline for subsequent years in order to remain eligible.

During the fiscal year ended June 30, 2014, AAA awarded the following net scholarships:

Georgia Private School Tax Credit Scholarship Program	\$180,380
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$6,594,997
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$168,825
Pennsylvania Opportunity Scholarship Tax Credit	\$493,000
Alabama Educational Scholarship Program	\$15,000

During the fiscal year ended June 30, 2013, AAA awarded the following scholarships:

Georgia Private School Tax Credit Scholarship Program	\$3,579,375
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$3,123,525

Scholarship checks are made payable to the student's parent or guardian and are restrictively endorsed for deposit only to the private school. The checks are disbursed in four installments each school year after receipt of a verification report from the school. The verification report limits the risk that a check might be issued for a student who has withdrawn from the eligible private school or the student's parent or guardian has not complied with their responsibilities under the program.

Scholarships awarded in prior fiscal years that were unclaimed due to students leaving the program or forfeiting their scholarships were re-allocated to fund additional scholarships in the current fiscal year.

AAA Scholarship Foundation, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2014 and 2013

NOTE D – SCHOLARSHIPS AWARDED AND PAYABLE - CONTINUED

Georgia and Arizona allow multi-year scholarships. The following schedules illustrate the net multi-year scholarships awarded but unpaid as of June 30, 2014:

	Payable in 2014-15	Payable in 2015-16	Payable in 2016-17	Payable in 2017-18
<b>Georgia Private School Tax Credit Scholarship Program:</b>				
Beginning Balance 6/30/2013	\$1,160,354	\$1,160,354	\$0	\$0
Plus: Refund Due from School	\$2,590	\$0	\$0	\$0
Adjust for Graduating Students	\$0	(\$58,125)	\$0	\$0
Less: Unclaimed Awards	(\$234,104)	(\$234,104)	\$0	\$0
Awarded 2013-14	\$530,625	\$515,625	\$166,875	\$0
<b>Total:</b>	<b>\$1,459,465</b>	<b>\$1,383,750</b>	<b>\$166,875</b>	<b>\$0</b>
<b>Arizona Low-Income Corporate Tax Credit Scholarship Program:</b>				
Beginning Balance 6/30/2013	\$1,041,175	\$1,041,175	\$0	\$0
Awarded 2013-14	\$1,178,825	\$1,118,975	\$2,103,450	\$2,023,125
<b>Total:</b>	<b>\$2,220,000</b>	<b>\$2,160,150</b>	<b>\$2,103,450</b>	<b>\$2,023,125</b>
<b>Arizona Disabled-Displaced Tax Credit Scholarship Program:</b>				
Awarded 2013-14	\$56,275	\$56,275	\$56,275	\$0
<b>Total:</b>	<b>\$56,275</b>	<b>\$56,275</b>	<b>\$56,275</b>	<b>\$0</b>

NOTE E - TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2014, net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

Georgia Private School Tax Credit Scholarship Program	\$180,380
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$6,594,997
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$168,824
Pennsylvania Opportunity Scholarship Tax Credit	\$493,000
Alabama Educational Scholarship Program	\$15,000

At June 30, 2013, net assets were released from donor restrictions as follows:

Georgia Private School Tax Credit Scholarship Program	\$3,542,725
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$2,821,277

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AAA Scholarship Foundation, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

NOTE F – CONCENTRATION OF RISK

Contributions from three major donors accounted for approximately 82 percent (82%) of contributions received for the fiscal year ended June 30, 2014. The pledges from two of these donors were fully paid as of June 30, 2014. A \$500,000 pledge from one was outstanding and deemed collectible as of June 30, 2014.

Contributions from one major donor accounted for approximately 96% of contributions received for the fiscal year ended June 30, 2013. The pledge from this donor was fully paid as of June 30, 2013.

NOTE G - RELATED PARTY TRANSACTIONS

AAA retained the services of their Chief Executive Officer's accounting firm to provide bi-weekly payroll services for between \$20 and \$30 per month and shares office space and equipment with the same firm for \$1,500 per month.

NOTE H - FAIR VALUE

FASB Statement No. 157 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB Statement No. 157, are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities AAA has the ability to access.

Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include AAA's own data).

The following table presents AAA's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2014.



AAA Scholarship Foundation, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

Financial instruments owned:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificate of Deposit	\$0	\$15,121	\$0

Financial assets carried at fair value as of June 30, 2013 are classified in the hierarchy as follows:

Financial instruments owned:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificate of Deposit	\$0	\$15,106	\$0

NOTE I – COMPLIANCE WITH STATE STATUTES

As an SO in multiple states, AAA must comply with certain operational and reporting requirements established and adopted into law by each state. Failure to comply with these statutes may result in sanctions that suspend or revoke operations. For the years ending June 30, 2014 and 2013, AAA is in compliance with all operating and reporting requirements for each applicable state.

NOTE J – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the accountant's report and there were no significant events that would require disclosure in the financial statements.

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Supplementary Information

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10/29/14  
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INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT  
ON ADDITIONAL INFORMATION

To the Board of Directors of  
AAA Scholarship Foundation, Inc.

We have audited the financial statements of AAA Scholarship Foundation, Inc. as of and for the years ended June 30, 2014 and 2013, and issued our report thereon dated October 22, 2014, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules of functional expenses are presented for the purposes of additional analysis and are 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 supplementary schedules of functional expenses are fairly stated in all material respects in relation to the financial statements as a whole.

*SGCash LLC*

Athens, Georgia  
October 22, 2014

*[Handwritten signature]*  
10/27/14



**AAA Scholarship Foundation, Inc.**  
**Supplementary Schedules of Functional Expenses**  
**For the years ended June 30, 2014 and 2013**

For the year ended June 30, 2014

For the year ended June 30, 2013

For the year ended June 30, 2014				For the year ended June 30, 2013			
Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
\$ 7,452,200	\$ -	\$ -	\$ 7,452,200	\$ 6,702,900	\$ -	\$ -	\$ 6,702,900
388	49	49	486	300	690	-	990
5,760	720	720	7,200	-	7,200	-	7,200
25,969	-	-	25,969	10,537	-	3,874	14,411
2,110	84	84	2,278	566	285	-	851
914	14	2,958	3,886	119	961	1,955	3,035
765	-	6,495	7,260	-	-	-	-
25,815	1,707	295,285	322,807	200	6,000	125,320	131,520
(1,102)	78	3,457	2,433	10	3,108	2,700	5,818
1,060	45	45	1,150	31	389	-	420
697	87	87	871	-	-	-	-
-	-	-	0	-	152	-	152
13,321	57	5,203	18,581	-	677	6,348	7,025
-	-	-	0	474	2,505	-	2,979
732	53	105	890	63	336	152	551
95	12	12	119	-	124	-	124
290	-	216	506	-	351	-	351
2,391	210	235	2,836	751	307	240	1,298
-	-	90	90	-	-	-	-
14,400	1,800	1,800	18,000	-	12,000	-	12,000
232	29	29	290	-	-	-	-
2,176	208	209	2,593	263	313	442	1,018
15,753	705	705	17,163	8,894	5,707	-	14,601
2,011	101	227	2,339	963	956	43	1,962
15,822	195	195	16,212	2,685	-	2,400	5,085
235,354	11,341	11,341	258,036	128,897	79,557	-	208,454
1,060	109	109	1,278	-	1,098	-	1,098
<u>7,818,213</u>	<u>17,604</u>	<u>329,656</u>	<u>8,165,473</u>	<u>6,857,653</u>	<u>122,716</u>	<u>143,474</u>	<u>7,123,843</u>

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND  
ON INTERNAL CONTROL OVER COMPLIANCE

To the Board of Directors of  
AAA Scholarship Foundation, Inc.

Compliance

We have audited the compliance of AAA Scholarship Foundation, Inc., ("AAA Scholarship Foundation") with the types of compliance requirements described in the Rules of the Auditor General - Chapter 10.700 and Florida Statutes - Section 1002.395 that are applicable for the year ended June 30, 2014. Compliance with the requirements of laws, regulations, contract, and grants is the responsibility of AAA Scholarship Foundation's management. Our responsibility is to express an opinion on AAA Scholarship Foundation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and Chapter 10.700 of the Rules of the Auditor General of Florida. These standards and rules 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 the financial statements occurred. An audit includes examining, on a test basis, evidence about AAA Scholarship Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on AAA Scholarship Foundation's compliance with those requirements.

In our opinion, AAA Scholarship Foundation complied, in all material respects, with the requirements referred to above that are applicable for the year ended June 30, 2014.

Internal Control Over Compliance

Management of AAA Scholarship Foundation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants. In planning and performing our audit, we considered AAA Scholarship Foundation's internal control over compliance with the requirements that could have a direct and material effect on the financial statements to determine our auditing procedures for the purpose of expressing our opinion on compliance, and test and report on internal control over compliance in accordance with the Rules of the Auditor General Chapter 10.700 and Section 1002.395 Florida Statutes, 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 AAA Scholarship Foundation'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 noncompliance with a type of compliance requirement on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected on a timely basis.

*Wax*  
10/28/14

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 that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This communication is intended solely for the information and use of management, the board of directors, the Florida Department of Education, the Executive Office of the Governor of the State of Florida, the State of Florida Office of the Auditor General, and the Florida Department of Revenue, and is not intended to be and should not be used by anyone other than these specified parties.

*S G Cash LLC*

Athens, Georgia  
October 22, 2014

*10/24/14*



Florida Scholarship Funding Organization  
Annual Application - Attachment  
For the Fiscal Year Ended 6/30/17

An annual report that includes 1) the number of students who completed applications, by county and by grade, 2) the number of students who were approved for scholarships, by county and by grade, and 3) the number of students who received funding for scholarships within each category, by county and by grade, as well as 4) the amount of funds received, 5) the amount of funds distributed in scholarships, and 6) an accounting of remaining funds and the obligations of those funds.

#### 2014-15 School Year

##### 1) Completed Applications:

<u>County</u>	<u>Number</u>	<u>Grade</u>	<u>Number</u>
Alachua	1	-1	17
Brevard	3	K	37
Broward	59	1	38
Citrus	2	2	47
Duval	24	3	23
Gadsden	2	4	27
Hillsborough	35	5	28
Indian River	1	6	40
Lake	1	7	37
Lee	3	8	40
Leon	9	9	34
Manatee	1	10	45
Marion	17	11	27
Miami-Dade	142	12	30
Nassau	3		
Okaloosa	2		
Orange	68		
Osceola	4		
Palm Beach	16		
Pasco	4		
Pinellas	31		
Polk	18		
Sarasota	4		
Seminole	3		
St. Lucie	5		
Suwannee	3		
Volusia	9		

##### 2) Approved for Scholarships:

<u>County</u>	<u>Number</u>	<u>Grade</u>	<u>Number</u>
Brevard	1	K	22
Broward	24	1	25
Citrus	1	2	33
Duval	19	3	9
Hillsborough	19	4	18
Lee	1	5	16
Leon	9	6	25
Manatee	1	7	24
Marion	12	8	29
Miami-Dade	95	9	23
Okaloosa	1	10	31
Orange	51	11	17
Osceola	3	12	17
Palm Beach	9		
Pasco	3		
Pinellas	18		
Polk	10		

2) Approved for Scholarships (continued):	<u>County</u>	<u>Number</u>	<u>Grade</u>	<u>Number</u>
	Sarasota	4		
	Seminole	2		
	St. Lucie	4		
	Volusia	2		

3) Funded:	<u>County</u>	<u>Number</u>	<u>Grade</u>	<u>Number</u>
	Broward	17	K	16
	Duval	15	1	16
	Hillsborough	12	2	19
	Leon	8	3	5
	Manatee	1	4	11
	Marion	5	5	10
	Miami-Dade	62	6	12
	Orange	28	7	21
	Palm Beach	7	8	17
	Pasco	3	9	16
	Pinellas	11	10	18
	Polk	7	11	14
	Sarasota	4	12	10
	Seminole	1		
	St. Lucie	3		
	Volusia	1		

4) 2014-15 Funds Received: \$ 610,000.00

5) 2014-15 Funds Distributed:

During 2014-15	\$ 465,943.47
During 2015-16	<u>\$ 76,598.59</u>
Total	<u>\$ 542,542.06</u>

6) Remaining Funds: \$ 67,457.94

The remaining funds will be used to fund scholarships awarded for the 2015-16 school year. To date, 325 students have been awarded scholarships for the 2015-16 school year, totalling just under \$1.5 million.

# AAA

Scholarship Foundation



WE MAKE **ACADEMIC ACHIEVEMENT ACCESSIBLE**

OCT 12 2015

OCT 12 2015

October 8, 2015

The Florida Department of Education  
Commissioner of Education  
325 W. Gaines St., Suite 1044  
Tallahassee, FL 32399-0400

RE: AAA Scholarship Foundation – FL, LLC

Dear Sirs,

Enclosed, please find the following documents as requested in your September 28, 2015 letter:

- (a) 2015-16 budget including a budget narrative
- (b) Organizational chart including the names of Officers


The fiscal year 2014-15 IRS Form 990 is currently in the review process and a copy will be submitted to you by the November 30, 2014 due date.

The fiscal year 2014-15 audited financial statements and required supplemental reports due to the Auditor General and Department of Education will be submitted once the independent certified public accountants have completed their work and before the statutorily mandated deadline of 180 days after completion of our fiscal year.

We believe that this satisfies our requirement under Section 1002.395(16)(b), Florida Statutes, however, please do not hesitate to contact us if any additional information is required.

Sincerely,

AAA Scholarship Foundation, Inc.



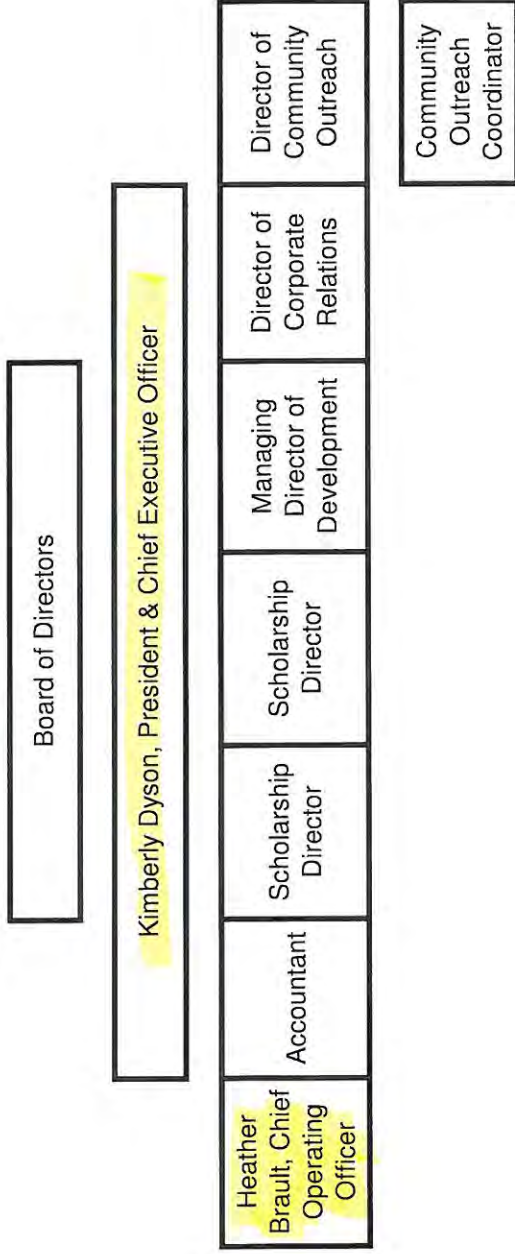
Kimberly Dyson  
President and CEO



**AAA Scholarship Foundation, Inc.**  
**Operating Budget**  
**Fiscal Year 2016-17**

	Annual Budget	Budget Narrative/Assumptions
<b>Revenues</b>		
Contributions - GA	675,585	Tax Credit Contributions
Contributions - AZ	11,095,000	Tax Credit Contributions
Contributions - PA	200,000	Tax Credit Contributions
Contributions - AZ-DD	1,790,000	Tax Credit Contributions
Contributions - AL	306,500	Tax Credit Contributions
Contributions - FL	3,925,000	Tax Credit Contributions
Grants - FL PLSA	3,000,000	FL DOE PLSA Voucher Grant
Contributions - NV	2,790,000	Tax Credit Contributions
Total Grants & Contributions	<u>23,782,085</u>	
Interest	58,834	Interest Earned on/Restricted for Scholarship Accounts
Net Revenues	<u>23,930,919</u>	
<b>Direct Program Costs</b>		
Scholarships Awarded - GA	608,027	27 scholarships awarded (max of \$7,500 x 3 years)
Scholarships Awarded - AZ	9,985,500	666 scholarships awarded (max of \$5,000 x 3 years)
Scholarships Awarded - PA	100,000	13 scholarships awarded (max of \$7,500 x 1 year)
Scholarships Awarded - AZ-DD	1,611,000	67 scholarships awarded (avg of \$8,000 x 3 years)
Scholarships Awarded - AL	291,175	39 scholarships awarded (max of \$7,500 x 1 year)
Scholarships Awarded - FL	3,925,000	785 scholarships awarded (avg of \$5,000 x 1 year)
Scholarships Awarded - FL PLSA	3,000,000	300 scholarships awarded (avg of \$10,000 x 1 year)
Scholarships Awarded - NV	2,650,500	353 scholarships awarded (max of \$7,500 x 1 year)
Total Direct Program Costs	<u>22,171,202</u>	
<b>General and Administrative Expenses</b>		
<b>Wages &amp; Benefits</b>		
FICA	29,887	Employer Payroll Taxes
Employee Benefits	48,033	Employer Paid Group Medical/Dental Premium + Retirement Plan Contribution
Salaries	390,686	Salary Cost: CEO, COO, Accountant, Scholarship Admin (2.5), Outreach (2.5)
Wages & Benefits	<u>468,606</u>	
<b>Travel &amp; Meetings</b>		
Conferences/Conventions	10,830	Attend 10 Conferences
Lodging	21,300	Conferences, School meetings, Site Visits, Student Recruiting
Meals & Entertainment	9,230	Conferences, School meetings, Site Visits, Student Recruiting
Meals - Staff Mtgs	1,250	Staff Meetings/Holiday Parties
Meals - Board Mtgs	200	BOD Lunch Meetings
Travel	56,000	Conferences, School meetings, Site Visits, Student Recruiting
Travel Expenses	<u>98,810</u>	
<b>Business Insurance</b>		
Surety Bond	3,000	FL Bond - Annual Premium
Liability Insurance	3,789	General & D&O Insurance
Workers Comp Insurance	1,255	Annual Premium
Business Insurance	<u>8,044</u>	
<b>General Expenses</b>		
Advertising/Marketing	152,774	Collateral material, paid media, outreach, student recruiting
Bank Charge	11,220	Account Analysis Fees/Late Fees
Business License/Registration	3,192	State Registrations/Solicitation Fees
Contract Services/Development	662,290	Independent Contractors/Marketing/Fund Raising/Govt Relations
Depreciation	1,200	Depreciation of fixed assets
Dues, Fees & Subscriptions	6,162	Memberships, Subscriptions
Equipment Rental	2,544	Various equipment, post office boxes, etc.
Equipment Repair & Maintenance	2,250	Computer/Equipment Repairs
Software Licenses	4,452	Annual Seat for Licenses
Office Equipment	2,400	Various calculators, printers, etc.
Postage & Delivery	10,104	Applications/checks/packets/handbooks/ltrs/notices
Printing & Reproduction	4,272	Applications/Award Letters/School Commitment Forms/Envelopes, etc
Professional Development	2,000	Technical training
Professional Services	25,595	Payroll/Tax Return Prep/Audit/Legal
Supplies	4,000	Paper/toner/storage boxes/pens/highlighters, etc
Telephone/Fax	2,600	Phone/fax/cell
Web/Internet Hosting Services	2,024	Site Hosting, Domains, SEO Optimization
Total General Expenses	<u>899,078</u>	
Facility Expenses	31,020	Monthly Lease/utilities/maint
Total G&A Expenses	<u>1,505,558</u>	
Total Costs & Expenses	<u>23,676,759</u>	
Surplus / (Deficit)	<u>254,160</u>	

# AAA Scholarship Foundation, Inc. Organizational Chart



NOV 13 2015



November 10, 2015

The Florida Department of Education  
Commissioner of Education  
325 W. Gaines St., Suite 1044  
Tallahassee, FL 32399-0400

RE: AAA Scholarship Foundation – FL, LLC

Dear Sirs,

Enclosed, please find the following documents as requested in your September 28, 2015 letter:

- (a) Fiscal year 2014-15 IRS Form 990
- (b) Fiscal year 2014-15 audited financial statements and required supplemental reports

We believe that this satisfies our requirement under Section 1002.395(16)(b), Florida Statutes, however, please do not hesitate to contact us if any additional information is required.

Sincerely,

AAA Scholarship Foundation, Inc.



Kimberly Dyson  
President and CEO



Form **990**

**Return of Organization Exempt From Income Tax**

OMB No. 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

**2014**  
Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.  
Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

**A** For the 2014 calendar year, or tax year beginning **07/01/14**, and ending **06/30/15**

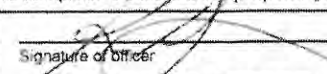
<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>AAA Scholarship Foundation, Inc.</b>		<b>D</b> Employer identification number <b>27-2559468</b>
	Doing business as		<b>E</b> Telephone number <b>888-707-2465</b>
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>PO Box 3579</b>		<b>G</b> Gross receipts \$ <b>14,824,738</b>
	City or town, state or province, county, and ZIP or foreign postal code <b>Fort Stewart GA 31315</b>		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
<b>F</b> Name and address of principal officer: <b>Kimberly Dyson, CPA</b> <b>PO Box 15719</b> <b>Tampa FL 33684</b>			<b>H(c)</b> Group exemption number
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
<b>J</b> Website: <b>www.aascholarships.org</b>			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other			<b>L</b> Year of formation: <b>2010</b>
			<b>M</b> State of legal domicile: <b>GA</b>

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>See Schedule O</b>	
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>4</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>3</b>
	<b>5</b> Total number of individuals employed in calendar year 2014 (Part V, line 2a)	<b>7</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>0</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>0</b>
<b>7b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>0</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	Prior Year: <b>8,712,346</b> Current Year: <b>14,750,387</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	<b>0</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>12,727</b> <b>74,351</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>0</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>8,725,073</b> <b>14,824,738</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>7,452,200</b> <b>11,579,814</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	<b>0</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>275,200</b> <b>345,345</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<b>293,579</b> <b>503,319</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25)	<b>556,539</b>
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>135,499</b> <b>270,802</b>
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>8,156,478</b> <b>12,699,280</b>	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>568,595</b> <b>2,125,458</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	Beginning of Current Year: <b>12,678,965</b> End of Year: <b>20,982,615</b>
	<b>21</b> Total liabilities (Part X, line 26)	<b>12,218,057</b> <b>18,395,313</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>460,908</b> <b>2,587,302</b>

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer 	Date <b>10-31-15</b>			
	Type or print name and title <b>Kimberly Dyson, CPA</b> <b>Chief Executive Officer</b>				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>Kimberly Dyson, CPA</b>	Preparer's signature <b>Kimberly Dyson, CPA</b>	Date <b>10/31/15</b>	Check <input type="checkbox"/> if self-employed	PTIN <b>P01244342</b>
	Firm's name <b>Dyson Business Advisors, Inc.</b>	Firm's EIN		Phone no. <b>813-814-5680</b>	
Firm's address <b>13528 Prestige Pl Ste 107 Tampa, FL 33635-9776</b>					

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

For Paperwork Reduction Act Notice, see the separate instructions.

**Part III Statement of Program Service Accomplishments**

Check if Schedule O contains a response or note to any line in this Part III



1 Briefly describe the organization's mission:

**See Schedule O**

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes  No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes  No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ **12,123,411** including grants of \$ **11,579,814** ) (Revenue \$ )

**Because of our wonderful donors, we had the privilege of granting the following scholarships to ensure that economically-disadvantaged families and families of children with special-needs could select the best educational environment for their children's learning needs:**

**Georgia: 60 annual pre-k4 - 12th grade scholarships to 37 students;  
Arizona: 2,043 annual k - 12th grade scholarships to 681 students;  
Pennsylvania: 82 annual k - 12th grade scholarships to 82 students;  
Alabama: 45 annual k - 12th grade scholarship to 45 students;  
Florida: 393 annual k - 12th grade scholarship to 393 students; and  
80 Personal Learning Scholarship Accounts to 80 students.**

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses **12,123,411**



**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	<b>X</b>	
<b>2</b> Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	<b>X</b>	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		<b>X</b>
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	<b>X</b>	
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		<b>X</b>
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		<b>X</b>
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		<b>X</b>
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		<b>X</b>
<b>9</b> Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		<b>X</b>
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V		<b>X</b>
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	<b>X</b>	
<b>b</b> Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		<b>X</b>
<b>c</b> Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		<b>X</b>
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		<b>X</b>
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X		<b>X</b>
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X		<b>X</b>
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	<b>X</b>	
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional		<b>X</b>
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		<b>X</b>
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?		<b>X</b>
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		<b>X</b>
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV		<b>X</b>
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV		<b>X</b>
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	<b>X</b>	
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		<b>X</b>
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		<b>X</b>
<b>20a</b> Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		<b>X</b>
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		



**Part IV Checklist of Required Schedules (continued)**

		Yes	No
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	X	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a	<b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If "Yes," complete Schedule L, Part II		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	X	
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	X	
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, or IV, and Part V, line 1		X
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O	X	

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
<b>2b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	<b>X</b>	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?		<b>X</b>
<b>3b</b>	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O		
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		<b>X</b>
<b>4b</b>	If "Yes," enter the name of the foreign country: <b>▶</b> See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		<b>X</b>
<b>5b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		<b>X</b>
<b>5c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		<b>X</b>
<b>6b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>7a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		<b>X</b>
<b>7b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
<b>7c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		<b>X</b>
<b>7d</b>	If "Yes," indicate the number of Forms 8282 filed during the year		
<b>7e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		<b>X</b>
<b>7f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		<b>X</b>
<b>7g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		<b>X</b>
<b>7h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		<b>X</b>
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>9a</b>	Did the sponsoring organization make any taxable distributions under section 4966?		
<b>9b</b>	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>10a</b>	Initiation fees and capital contributions included on Part VIII, line 12		
<b>10b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>11a</b>	Gross income from members or shareholders		
<b>11b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>12b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>13a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.		
<b>13b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
<b>13c</b>	Enter the amount of reserves on hand		
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?		<b>X</b>
<b>14b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		



**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions. Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>1b</b>	Enter the number of voting members included in line 1a, above, who are independent		
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		<input checked="" type="checkbox"/>
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		<input checked="" type="checkbox"/>
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		<input checked="" type="checkbox"/>
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		<input checked="" type="checkbox"/>
<b>6</b>	Did the organization have members or stockholders?		<input checked="" type="checkbox"/>
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		<input checked="" type="checkbox"/>
<b>b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		<input checked="" type="checkbox"/>
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b>	The governing body?	<input checked="" type="checkbox"/>	
<b>b</b>	Each committee with authority to act on behalf of the governing body?	<input checked="" type="checkbox"/>	
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		<input checked="" type="checkbox"/>

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?		<input checked="" type="checkbox"/>
<b>b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	<input checked="" type="checkbox"/>	
<b>b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	<input checked="" type="checkbox"/>	
<b>b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	<input checked="" type="checkbox"/>	
<b>c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	<input checked="" type="checkbox"/>	
<b>13</b>	Did the organization have a written whistleblower policy?	<input checked="" type="checkbox"/>	
<b>14</b>	Did the organization have a written document retention and destruction policy?	<input checked="" type="checkbox"/>	
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b>	The organization's CEO, Executive Director, or top management official	<input checked="" type="checkbox"/>	
<b>b</b>	Other officers or key employees of the organization	<input checked="" type="checkbox"/>	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		<input checked="" type="checkbox"/>
<b>b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **AK, AL, AR, CA, CO, CT, FL, GA, IL, KY, MA, MD, MI**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website  Another's website  Upon request  Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: ▶

**AAA Scholarship Foundation, Inc. 13528 Prestige Place**

**Tampa**

**FL 33635**

**888-707-2465**



**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
  - List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
  - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
  - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
  - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) <b>James Moran</b> ..... Director	0.00 0.00	X						0	0	0
(2) <b>Dwight Glisson</b> ..... Director	0.00 0.00	X						0	0	0
(3) <b>Teresa L'Homme</b> ..... Director	0.00 0.00	X						0	0	0
(4) <b>Kimberly Dyson, CPA</b> ..... Chief Exec Officer	50.00 10.00			X				57,211	0	6,496
(5) <b>Heather Brault</b> ..... Chief Oper Officer	40.00 10.00			X				51,192	0	0
(6)										
(7)										
(8)										
(9)										
(10)										
(11)										

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)**

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(12)										
(13)										
(14)										
(15)										
(16)										
(17)										
(18)										
(19)										
<b>1b Sub-total</b>							<b>108,403</b>		<b>6,496</b>	
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>							<b>108,403</b>		<b>6,496</b>	

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		<b>X</b>
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual		<b>X</b>
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		<b>X</b>

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
<b>KV and Associates Miami FL 33133</b>	<b>2751 SW 22nd Ave Fund Raising</b>	<b>503,319</b>

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **1**

**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b> Federated campaigns	<b>1a</b>				
	<b>b</b> Membership dues	<b>1b</b>				
	<b>c</b> Fundraising events	<b>1c</b>				
	<b>d</b> Related organizations	<b>1d</b>				
	<b>e</b> Government grants (contributions)	<b>1e</b>	805,022			
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	13,945,365			
	<b>g</b> Noncash contributions included in lines 1a-1f: \$					
	<b>h Total.</b> Add lines 1a-1f		14,750,387			
<b>Program Service Revenue</b>	<b>2a</b> .....	Busn. Code				
	<b>b</b> .....					
	<b>c</b> .....					
	<b>d</b> .....					
	<b>e</b> .....					
	<b>f</b> All other program service revenue					
	<b>g Total.</b> Add lines 2a-2f					
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)		74,351		74,351	
	<b>4</b> Income from investment of tax-exempt bond proceeds					
	<b>5</b> Royalties					
	<b>6a</b> Gross rents	(i) Real				
		(ii) Personal				
		<b>b</b> Less: rental exps.				
	<b>c</b> Rental inc. or (loss)					
	<b>d</b> Net rental income or (loss)					
	<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
		<b>b</b> Less: cost or other basis & sales exps.				
		<b>c</b> Gain or (loss)				
	<b>d</b> Net gain or (loss)					
	<b>8a</b> Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	<b>a</b>				
		<b>b</b> Less: direct expenses	<b>b</b>			
<b>c</b> Net income or (loss) from fundraising events						
<b>9a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>					
	<b>b</b> Less: direct expenses	<b>b</b>				
	<b>c</b> Net income or (loss) from gaming activities					
<b>10a</b> Gross sales of inventory, less returns and allowances	<b>a</b>					
	<b>b</b> Less: cost of goods sold	<b>b</b>				
	<b>c</b> Net income or (loss) from sales of inventory					
<b>Miscellaneous Revenue</b>	<b>11a</b> .....	Busn. Code				
	<b>b</b> .....					
	<b>c</b> .....					
	<b>d</b> All other revenue					
	<b>e Total.</b> Add lines 11a-11d					
<b>12 Total revenue.</b> See instructions		14,824,738	0	0	74,351	



**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22	<b>11,579,814</b>	<b>11,579,814</b>		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	<b>114,899</b>	<b>103,409</b>	<b>5,745</b>	<b>5,745</b>
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	<b>188,564</b>	<b>179,264</b>	<b>4,650</b>	<b>4,650</b>
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	<b>20,159</b>	<b>18,279</b>	<b>940</b>	<b>940</b>
10 Payroll taxes	<b>21,723</b>	<b>20,321</b>	<b>701</b>	<b>701</b>
11 Fees for services (non-employees):				
a Management				
b Legal	<b>13,266</b>	<b>5,396</b>	<b>1,129</b>	<b>6,741</b>
c Accounting	<b>491</b>	<b>393</b>	<b>49</b>	<b>49</b>
d Lobbying	<b>41,000</b>	<b>41,000</b>		
e Professional fundraising services. See Part IV, line 7	<b>503,319</b>			<b>503,319</b>
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	<b>41,080</b>	<b>32,777</b>	<b>1,450</b>	<b>6,853</b>
12 Advertising and promotion	<b>58,561</b>	<b>55,208</b>	<b>25</b>	<b>3,328</b>
13 Office expenses	<b>47,701</b>	<b>35,156</b>	<b>1,659</b>	<b>10,886</b>
14 Information technology	<b>4,221</b>	<b>3,607</b>	<b>307</b>	<b>307</b>
15 Royalties				
16 Occupancy	<b>21,266</b>	<b>17,012</b>	<b>2,127</b>	<b>2,127</b>
17 Travel	<b>22,282</b>	<b>22,112</b>	<b>85</b>	<b>85</b>
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	<b>15,788</b>	<b>5,197</b>	<b>123</b>	<b>10,468</b>
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	<b>1,099</b>	<b>879</b>	<b>110</b>	<b>110</b>
23 Insurance	<b>4,047</b>	<b>3,587</b>	<b>230</b>	<b>230</b>
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a				
b				
c				
d				
e All other expenses				
<b>25 Total functional expenses.</b> Add lines 1 through 24e	<b>12,699,280</b>	<b>12,123,411</b>	<b>19,330</b>	<b>556,539</b>
26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash—non-interest bearing	11,514,579	1	6,299,572
	<b>2</b> Savings and temporary cash investments	15,121	2	15,135
	<b>3</b> Pledges and grants receivable, net	1,139,090	3	1,525,000
	<b>4</b> Accounts receivable, net		4	
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6	
	<b>7</b> Notes and loans receivable, net		7	
	<b>8</b> Inventories for sale or use		8	
	<b>9</b> Prepaid expenses and deferred charges	10,175	9	42,239
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	<b>10a</b> 4,248		
	<b>b</b> Less: accumulated depreciation	<b>10b</b> 163	<b>10c</b>	4,085
	<b>11</b> Investments—publicly traded securities		11	13,096,584
	<b>12</b> Investments—other securities. See Part IV, line 11		12	
	<b>13</b> Investments—program-related. See Part IV, line 11		13	
	<b>14</b> Intangible assets		14	
	<b>15</b> Other assets. See Part IV, line 11		15	
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34)		12,678,965	16	20,982,615
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses	24,418	17	32,144
	<b>18</b> Grants payable	12,193,639	18	18,363,169
	<b>19</b> Deferred revenue		19	
	<b>20</b> Tax-exempt bond liabilities		20	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties		23	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties		24	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	<b>26 Total liabilities.</b> Add lines 17 through 25		12,218,057	26
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets	-795,095	27	-633,634
	<b>28</b> Temporarily restricted net assets	1,256,003	28	3,220,936
	<b>29</b> Permanently restricted net assets		29	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds		30	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund		31	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds		32	
<b>33</b> Total net assets or fund balances	460,908	33	2,587,302	
<b>34</b> Total liabilities and net assets/fund balances	12,678,965	34	20,982,615	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	14,824,738
2	Total expenses (must equal Part IX, column (A), line 25)	2	12,699,280
3	Revenue less expenses. Subtract line 2 from line 1	3	2,125,458
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	460,908
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	936
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	2,587,302

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		<input checked="" type="checkbox"/>
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	<input checked="" type="checkbox"/>	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		<input checked="" type="checkbox"/>
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		



**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Public Charity Status and Public Support**  
Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.  
▶ Attach to Form 990 or Form 990-EZ.

OMB No. 1545-0047

**2014**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization

**AAA Scholarship Foundation, Inc.**

Employer identification number

**27-2559468**

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: .....
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g.
  - a  **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
  - b  **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
  - c  **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
  - d  **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
  - e  Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
- f Enter the number of supported organizations
- g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
<b>Total</b>						

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**  
 (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	2,400,387	1,775,000	7,066,000	8,712,346	14,747,650	34,701,383
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3	2,400,387	1,775,000	7,066,000	8,712,346	14,747,650	34,701,383
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
<b>6 Public support.</b> Subtract line 5 from line 4.						34,701,383

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
<b>7</b> Amounts from line 4	2,400,387	1,775,000	7,066,000	8,712,346	14,747,650	34,701,383
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	1,379	2,832	4,602	12,727	75,951	97,491
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)					1,137	1,137
<b>11 Total support.</b> Add lines 7 through 10						34,800,011
<b>12</b> Gross receipts from related activities, etc. (see instructions)					12	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> ▶ <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2014 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	99.72%
<b>15</b> Public support percentage from 2013 Schedule A, Part II, line 14	<b>15</b>	99.89%
<b>16a 33 1/3% support test—2014.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization ▶ <input checked="" type="checkbox"/>		
<b>b 33 1/3% support test—2013.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
<b>17a 10%-facts-and-circumstances test—2014.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here</b> . Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
<b>b 10%-facts-and-circumstances test—2013.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here</b> . Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/>		

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2014 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2013 Schedule A, Part III, line 15	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2014 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	%
<b>18</b> Investment income percentage from 2013 Schedule A, Part III, line 17	<b>18</b>	%

**19a 33 1/3% support tests—2014.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**b 33 1/3% support tests—2013.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions



**Part IV Supporting Organizations**

(Complete only if you checked a box on line 11 of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in <b>Part VI</b> how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in <b>Part VI</b> how the organization determined that the supported organization was described in section 509(a)(1) or (2).		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in <b>Part VI</b> when and how the organization made the determination.		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2) (B) purposes? If "Yes," explain in <b>Part VI</b> what controls the organization put in place to ensure such use.		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in <b>Part VI</b> how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in <b>Part VI</b> what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in <b>Part VI</b> , including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).		
<b>b</b> <b>Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c</b> <b>Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations; (b) individuals that are part of the charitable class benefited by one or more of its supported organizations; or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in <b>Part VI</b> .		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990).		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part I of Schedule L (Form 990).		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in <b>Part VI</b> .		
<b>b</b> Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in <b>Part VI</b> .		
<b>c</b> Did a disqualified person (as defined in line 9(a)) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in <b>Part VI</b> .		
<b>10a</b> Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer (b) below.		
<b>b</b> Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)		

**Part IV Supporting Organizations** (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	<b>11a</b>	
<b>b</b> A family member of a person described in (a) above?	<b>11b</b>	
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in <b>Part VI</b> .	<b>11c</b>	

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in <b>Part VI</b> how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.	<b>1</b>	
<b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in <b>Part VI</b> how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.	<b>2</b>	

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in <b>Part VI</b> how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).	<b>1</b>	

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	<b>1</b>	
<b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in <b>Part VI</b> how the organization maintained a close and continuous working relationship with the supported organization(s).	<b>2</b>	
<b>3</b> By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in <b>Part VI</b> the role the organization's supported organizations played in this regard.	<b>3</b>	

**Section E. Type III Functionally-Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions):		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete <b>line 2</b> below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete <b>line 3</b> below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in <b>Part VI</b> how you supported a government entity (see instructions).		
<b>2</b> Activities Test. <b>Answer (a) and (b) below.</b>		
<b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in <b>Part VI</b> identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.	<b>2a</b>	
<b>b</b> Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in <b>Part VI</b> the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.	<b>2b</b>	
<b>3</b> Parent of Supported Organizations. <b>Answer (a) and (b) below.</b>		
<b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in <b>Part VI</b> .	<b>3a</b>	
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in <b>Part VI</b> the role played by the organization in this regard.	<b>3b</b>	

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

1  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970. See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

<b>Section A - Adjusted Net Income</b>		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6 and 7 from line 4)	8	

<b>Section B - Minimum Asset Amount</b>		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

<b>Section C - Distributable Amount</b>			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	

7  Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions).



**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** (continued)

<b>Section D - Distributions</b>		<b>Current Year</b>
<b>1</b>	Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b>	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b>	Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b>	Amounts paid to acquire exempt-use assets	
<b>5</b>	Qualified set-aside amounts (prior IRS approval required)	
<b>6</b>	Other distributions (describe in <b>Part VI</b> ). See instructions.	
<b>7</b>	<b>Total annual distributions.</b> Add lines 1 through 6.	
<b>8</b>	Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
<b>9</b>	Distributable amount for 2014 from Section C, line 6	
<b>10</b>	Line 8 amount divided by Line 9 amount	

<b>Section E - Distribution Allocations (see instructions)</b>	<b>(i) Excess Distributions</b>	<b>(ii) Underdistributions Pre-2014</b>	<b>(iii) Distributable Amount for 2014</b>
<b>1</b> Distributable amount for 2014 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2014 (reasonable cause required-see instructions)			
<b>3</b> Excess distributions carryover, if any, to 2014:			
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b> From 2013 . . . . .			
<b>f</b> <b>Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2014 distributable amount			
<b>i</b> Carryover from 2009 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2014 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2014 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2014, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions).			
<b>6</b> Remaining underdistributions for 2014. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).			
<b>7</b> <b>Excess distributions carryover to 2015.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b> Excess from 2013 . . .			
<b>e</b> Excess from 2014 . . .			

**Part VI Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions.)

**Part II, Line 10 - Other Income Detail**

Cashback Rebates \$ 1,137

**SCHEDULE C**  
**(Form 990 or 990-EZ)**

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

For Organizations Exempt From Income Tax Under section 501(c) and section 527

**2014**

Department of the Treasury  
Internal Revenue Service

- ▶ Complete if the organization is described below.
- ▶ Attach to Form 990 or Form 990-EZ.
- ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

**Open to Public Inspection**

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization

**AAA Scholarship Foundation, Inc.**

Employer identification number

**27-2559468**

**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political expenditures ▶ \$
- 3 Volunteer hours

**Part I-B Complete if the organization is exempt under section 501(c)(3).**

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?  Yes  No
- 4a Was a correction made?  Yes  No
- b If "Yes," describe in Part IV.

**Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).**

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$
- 4 Did the filing organization file Form 1120-POL for this year?  Yes  No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				



**Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

- A** Check  if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check  if the filing organization checked box A and "limited control" provisions apply.

<b>Limits on Lobbying Expenditures</b> <b>(The term "expenditures" means amounts paid or incurred.)</b>		(a) Filing organization's totals	(b) Affiliated group totals												
		0													
<b>1a</b>	Total lobbying expenditures to influence public opinion (grass roots lobbying) .....	41,000													
<b>b</b>	Total lobbying expenditures to influence a legislative body (direct lobbying) .....	41,000													
<b>c</b>	Total lobbying expenditures (add lines 1a and 1b) .....	12,154,025													
<b>d</b>	Other exempt purpose expenditures .....	12,195,025													
<b>e</b>	Total exempt purpose expenditures (add lines 1c and 1d) .....														
<b>f</b>	Lobbying nontaxable amount. Enter the amount from the following table in both columns.	759,751													
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
<b>g</b>	Grassroots nontaxable amount (enter 25% of line 1f) .....	189,938													
<b>h</b>	Subtract line 1g from line 1a. If zero or less, enter -0- .....	0													
<b>i</b>	Subtract line 1f from line 1c. If zero or less, enter -0- .....	0													
<b>j</b>	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No												

**4-Year Averaging Period Under section 501(h)**

**(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)**

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
Calendar year (or fiscal year beginning in)	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) Total
<b>2a</b> Lobbying nontaxable amount		499,926	543,145	759,751	1,802,822
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					2,704,233
<b>c</b> Total lobbying expenditures			8,000	41,000	49,000
<b>d</b> Grassroots nontaxable amount		124,982	135,786	189,938	450,706
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					676,059
<b>f</b> Grassroots lobbying expenditures				0	

**Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

	(a)		(b)
	Yes	No	Amount
<b>1</b> During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
<b>a</b> Volunteers?			
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
<b>c</b> Media advertisements?			
<b>d</b> Mailings to members, legislators, or the public?			
<b>e</b> Publications, or published or broadcast statements?			
<b>f</b> Grants to other organizations for lobbying purposes?			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
<b>i</b> Other activities?			
<b>j</b> Total. Add lines 1c through 1i			
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

**Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

	Yes	No
<b>1</b> Were substantially all (90% or more) dues received nondeductible by members?		
<b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
<b>3</b> Did the organization agree to carry over lobbying and political expenditures from the prior year?		

**Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."**

<b>1</b> Dues, assessments and similar amounts from members	<b>1</b>	
<b>2</b> Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
<b>a</b> Current year	<b>2a</b>	
<b>b</b> Carryover from last year	<b>2b</b>	
<b>c</b> Total	<b>2c</b>	
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	<b>3</b>	
<b>4</b> If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	<b>4</b>	
<b>5</b> Taxable amount of lobbying and political expenditures (see instructions)	<b>5</b>	

**Part IV Supplemental Information**

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

**Schedule C, Part II-A, Explanation of Four Year Averaging**

**Fiscal Year 2014-15 is the third tax year for which AAA Scholarship Foundation, Inc.'s section 501(h) election was in effect.**





SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

OMB No. 1545-0047

2014

Open to Public Inspection

Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization

Employer identification number

AAA Scholarship Foundation, Inc.

27-2559468

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate value of contributions to (during year), 3 Aggregate value of grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? (Yes/No), 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? (Yes/No)

Part II Conservation Easements.

Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Table with 2 columns: Description, Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year (2a Total number of conservation easements, 2b Total acreage restricted by conservation easements, 2c Number of conservation easements on a certified historic structure included in (a), 2d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register), 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? (Yes/No), 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? (Yes/No), 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Table with 2 columns: Description, Amount. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items. b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1, (ii) Assets included in Form 990, Part X. 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenue included in Form 990, Part VIII, line 1, b Assets included in Form 990, Part X.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange programs
  - e  Other .....
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- |                                       | Amount |
|---------------------------------------|--------|
| c Beginning balance .....             | 1c     |
| d Additions during the year .....     | 1d     |
| e Distributions during the year ..... | 1e     |
| f Ending balance .....                | 1f     |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

**Part V Endowment Funds.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance .....					
b Contributions .....					
c Net investment earnings, gains, and losses .....					
d Grants or scholarships .....					
e Other expenditures for facilities and programs .....					
f Administrative expenses .....					
g End of year balance .....					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment ▶ ..... %
  - b Permanent endowment ▶ ..... %
  - c Temporarily restricted endowment ▶ ..... %
- The percentages in lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |   | Yes    | No |
|---|--------|----|
| (i) unrelated organizations .....   | 3a(i)  |    |
| (ii) related organizations .....  | 3a(ii) |    |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? ..... | 3b     |    |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land .....				
b Buildings .....				
c Leasehold improvements .....				
d Equipment .....				
e Other .....		4,248	163	4,085
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				4,085

**Part VII Investments—Other Securities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments—Program Related.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII



**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	14,824,738
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
	a Net unrealized gains (losses) on investments	2a		
	b Donated services and use of facilities	2b		
	c Recoveries of prior year grants	2c		
	d Other (Describe in Part XIII.)	2d		
	e Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	14,824,738
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b	4a		
	b Other (Describe in Part XIII.)	4b		
	c Add lines 4a and 4b		4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5	14,824,738

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	12,698,344
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
	a Donated services and use of facilities	2a		
	b Prior year adjustments	2b		
	c Other losses	2c		
	d Other (Describe in Part XIII.)	2d		
	e Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	12,698,344
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b	4a		
	b Other (Describe in Part XIII.)	4b		936
	c Add lines 4a and 4b		4c	936
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5	12,699,280

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**Part XII, Line 4b - Expense Amounts Included on Return - Other**

**Book / Tax Depreciation Difference** \$ 936



**SCHEDULE G  
(Form 990 or 990-EZ)**

**Supplemental Information Regarding Fundraising or Gaming Activities**

OMB No. 1545-0047

**2014**

Department of the Treasury  
Internal Revenue Service

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Open to Public Inspection

Name of the organization

**AAA Scholarship Foundation, Inc.**

Employer identification number

**27-2559468**

**Part I**

**Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a  Mail solicitations
- b  Internet and email solicitations
- c  Phone solicitations
- d  In-person solicitations
- e  Solicitation of non-government grants
- f  Solicitation of government grants
- g  Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?  Yes  No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
KV and Associates Inc 1 2751 SW 22 Ave Miami FL 33133	Fundraising		X	12,714,975	503,319	12,211,656
2						
3						
4						
5						
6						
7						
8						
9						
10						
<b>Total</b>				<b>12,714,975</b>	<b>503,319</b>	<b>12,211,656</b>

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Alaska, Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Kansas, Kentucky, Massachusetts, Maryland, Michigan, Minnesota, North Carolina, New Jersey, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Virginia, Washington, Wisconsin



**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		(event type)	(event type)	(total number)	(add col. (a) through col. (c))
Revenue	<b>1</b> Gross receipts .....				
	<b>2</b> Less: Contributions .....				
	<b>3</b> Gross income (line 1 minus line 2) .....				
Direct Expenses	<b>4</b> Cash prizes .....				
	<b>5</b> Noncash prizes .....				
	<b>6</b> Rent/facility costs .....				
	<b>7</b> Food and beverages .....				
	<b>8</b> Entertainment .....				
	<b>9</b> Other direct expenses .....				
	<b>10</b> Direct expense summary. Add lines 4 through 9 in column (d) .....				
<b>11</b> Net income summary. Subtract line 10 from line 3, column (d) .....					

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
		<b>1</b> Gross revenue .....			
Direct Expenses	<b>2</b> Cash prizes .....				
	<b>3</b> Noncash prizes .....				
	<b>4</b> Rent/facility costs .....				
	<b>5</b> Other direct expenses .....				
	<b>6</b> Volunteer labor .....	<input type="checkbox"/> Yes ..... % <input type="checkbox"/> No	<input type="checkbox"/> Yes ..... % <input type="checkbox"/> No	<input type="checkbox"/> Yes ..... % <input type="checkbox"/> No	
<b>7</b> Direct expense summary. Add lines 2 through 5 in column (d) .....					
<b>8</b> Net gaming income summary. Subtract line 7 from line 1, column (d) .....					

**9** Enter the state(s) in which the organization conducts gaming activities: .....

**a** Is the organization licensed to conduct gaming activities in each of these states?  Yes  No

**b** If "No," explain: .....

**10a** Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?  Yes  No

**b** If "Yes," explain: .....



**SCHEDULE I  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

▶ Information about Schedule I (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

**Open to Public  
Inspection**

Name of the organization

**AAA Scholarship Foundation, Inc.**

Employer identification number

**27-2559468**

**Part I General Information on Grants and Assistance**

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

**Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

	(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table

3 Enter total number of other organizations listed in the line 1 table

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2014)





**SCHEDULE L**  
**(Form 990 or 990-EZ)**

**Transactions With Interested Persons**

OMB No. 1545-0047

**2014**

Department of the Treasury  
Internal Revenue Service

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Open To Public Inspection

Name of the organization

AAA Scholarship Foundation, Inc.

Employer identification number

27-2559468

**Part I Excess Benefit Transactions** (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

- 2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ..... ▶ \$ \_\_\_\_\_
- 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ..... ▶ \$ \_\_\_\_\_

**Part II Loans to and/or From Interested Persons.**

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the org.?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
<b>Total</b> .....						▶ \$						

**Part III Grants or Assistance Benefiting Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				





SCHEDULE O  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Name of the organization

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

2014

Open to Public  
Inspection

AAA Scholarship Foundation, Inc.

Employer identification number

27-2559468

Form 990 - Organization's Mission

The AAA Scholarship Foundation, Inc. ("AAA") is a Georgia not-for-profit organization incorporated March 26, 2010 with the mission of ensuring economically-disadvantaged families have equal access to the customized learning options they need to effectively educate their children. In May 2014, the mission was expanded to include families of children with disabilities.

AAA believes that educational option programs spur improvements by removing many of the financial barriers parents face as they seek the best education for their children.

During the 2014-15 fiscal year, AAA was an approved Scholarship Organization (SO) in Georgia, Arizona, Pennsylvania, Alabama and Florida. As an SO, AAA may receive re-directed taxes from individual and corporate taxpayers. These re-directed funds are then distributed to qualified students in the form of scholarships so they may attend the qualified private school of their parent's choice.

Form 990, Part VI, Line 11b - Organization's Process to Review Form 990

A draft of the Form 990 is emailed to each director, who is asked to reply with his/her approval within a specified time period.

Form 990, Part VI, Line 12c - Enforcement of Conflicts Policy

A conflict of interest statement is signed annually by officers, directors and key employees.

Name of the organization

Employer identification number

AAA Scholarship Foundation, Inc.

27-2559468

Form 990, Part VI, Line 15a - Compensation Process for Top Official

The CEOs salary is approved by the Board of Directors. AAA purchases the Guidestar Compensation Survey each year to use for comparability when determining top management official's salary.

Form 990, Part VI, Line 15b - Compensation Process for Officers

Other Officers and Key Employees salaries are determined by the CEO. AAA purchases the Guidestar Compensation Survey each year to use for comparability when determining top management official's salaries.

Form 990, Part VI, Line 17 - Other States Where Copy of Return is Filed

Minnesota, North Carolina, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Virginia, Washington, Wisconsin

Form 990, Part VI, Line 19 - Governing Documents Disclosure Explanation

Governing documents are available on the Georgia Department of Corporation website and upon request.

Form 990, Part XI, Line 9 - Reconciliation of Changes - Other

Book / Tax Depreciation Difference \$ 936

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
▶ Attach to Form 990.

Department of the Treasury  
Internal Revenue Service

▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

**Open to Public  
Inspection**

Name of the organization

**AAA Scholarship Foundation, Inc.**

Employer identification number  
**27-2559468**

**Part I Identification of Disregarded Entities** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) AAA Scholarship Foundation - FL LLC 13528 Prestige Place Tampa FL 33635	Scholarshi	FL	2,340,707	1,959,973	AAA Schola
(2) .....					
(3) .....					
(4) .....					
(5) .....					

**Part II Identification of Related Tax-Exempt Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) .....							
(2) .....							
(3) .....							
(4) .....							
(5) .....							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

DAA



**Part III Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate alloc.?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) .....												
(2) .....												
(3) .....												
(4) .....												

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) .....									
(2) .....									
(3) .....									
(4) .....									

**Part V Transactions With Related Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

		Yes	No
<b>1</b>	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV? <b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		
	<b>b</b> Gift, grant, or capital contribution to related organization(s)		
	<b>c</b> Gift, grant, or capital contribution from related organization(s)		
	<b>d</b> Loans or loan guarantees to or for related organization(s)		
	<b>e</b> Loans or loan guarantees by related organization(s)		
	<b>f</b> Dividends from related organization(s)		
	<b>g</b> Sale of assets to related organization(s)		
	<b>h</b> Purchase of assets from related organization(s)		
	<b>i</b> Exchange of assets with related organization(s)		
	<b>j</b> Lease of facilities, equipment, or other assets to related organization(s)		
	<b>k</b> Lease of facilities, equipment, or other assets from related organization(s)		
	<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s)		
	<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s)		
	<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		
	<b>o</b> Sharing of paid employees with related organization(s)		
	<b>p</b> Reimbursement paid to related organization(s) for expenses		
	<b>q</b> Reimbursement paid by related organization(s) for expenses		
	<b>r</b> Other transfer of cash or property to related organization(s)		
	<b>s</b> Other transfer of cash or property from related organization(s)		
<b>2</b>	If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.		

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

**Part VI Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(1)	(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
					Yes	No			Yes	No		Yes	No	
(1)	.....													
(2)	.....													
(3)	.....													
(4)	.....													
(5)	.....													
(6)	.....													
(7)	.....													
(8)	.....													
(9)	.....													
(10)	.....													
(11)	.....													



**Depreciation and Amortization**  
(Including Information on Listed Property)

▶ Attach to your tax return.  
▶ Information about Form 4562 and its separate instructions is at [www.irs.gov/form4562](http://www.irs.gov/form4562).

Name(s) shown on return

**AAA Scholarship Foundation, Inc.**

Identifying number  
**27-2559468**

Business or activity to which this form relates

**Indirect Depreciation**

**Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2013 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2015. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	320
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2014	17	0
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

**Section B—Assets Placed in Service During 2014 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		3,803	5.0	HY	200DB	761
c 7-year property		125	7.0	HY	200DB	18
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	

**Section C—Assets Placed in Service During 2014 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

**Part IV Summary (See instructions.)**

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	1,099
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.





November 10, 2015

Auditor General  
Local Government Audits/342  
Claude Pepper Building, Room 401  
111 W. Madison St.  
Tallahassee, FL 32399-1450

COPY

Dear Sirs,

Enclosed, please find the July 1, 2014 – June 30, 2015 fiscal year audit report for AAA Scholarship Foundation – FL, LLC, a Florida scholarship funding organization.

As required, the audit report is being sent as a single document and includes the following:

- (a) A table of contents.
- (b) The auditor's report on the financial statements.
- (c) A report on internal control and compliance based on an audit of the financial statements in accordance with auditing standards generally accepted in the United States of America and government auditing standards.
- (d) The basic financial statements and required supplementary information required by generally accepted accounting principles.

We believe that this satisfies our requirement under Section 1002.395, Florida Statutes and Rules of the Auditor General Chapter 10.700, however, please do not hesitate to contact us if any additional information is required.

Sincerely,

AAA Scholarship Foundation, Inc.



Kimberly Dyson  
President and CEO

cc: The Florida Department of Education  
Commissioner of Education  
325 W. Gaines St., Suite 1044  
Tallahassee, FL 32399-0400



**AUDITOR GENERAL**  
**CERTAIN NONPROFIT ORGANIZATIONS – SUBMITTAL CHECKLIST FOR AUDIT**  
**REPORTS SUBMITTED PURSUANT TO CHAPTER 10.700, RULES OF THE AUDITOR GENERAL**

Entity Name AAA Scholarship Foundation - FL, LLC

Contact Person Name and Title Kim Dyson, President and CEO

Contact Person Mailing Address PO Box 15719, Tampa, FL 33684-0719

Contact Person Phone Number 888-707-2465

Contact Person Email Address kim@aaascholarships.org

Fiscal Year Audited July 1, 2014 - June 30, 2015

Date Auditor Delivered Audit Report to Local Government 10/29/2015

COPY

Does the audit report include the following items required by Auditor General Rule 10.730(4):

- YES      The auditor's report on internal control and compliance based on an audit of the financial statements (see AG Rule 10.730(4)(c))?
  
- YES      The financial statements reported on, together with related notes to the financial statements and required supplementary information, required by generally accepted accounting principles (see AG Rule 10.730(4)(e))?
  
- YES      The auditor's report on the financial statements (see AG Rule 10.730(4)(b))?
  
- NA      If applicable, the auditor's reports and related financial information required pursuant to the Federal *Single Audit Act Amendments of 1996*; OMB Circular A- 133; the *Florida Single Audit Act*; Chapter 10.650, Rules of the Auditor General; or other applicable Federal and State law (see AG Rule 10.730(4)(d))?

In addition to the above, have the following requirements been complied with:

- YES      Are all of the elements of the audit report, as prescribed by Auditor General Rule 10.730, included in a **single document** (see AG Rule 10.730(4))?
  
- NA      For direct-support and citizen-support organizations, is the audit report being submitted no later than 9 months after the end of the fiscal year (see AG Rule 10.730(5))?
  
- YES      For scholarship funding-organizations, is the audit report being submitted no later than 180 days after completion of the fiscal year of the auditee (see AG Rule 10.730(5))?
  
- NA      For Enterprise Florida, Inc., and the Scripps Florida Funding Corporation, is the audit report being submitted within 45 days of delivery of the audit report to the auditee, but no later than 9 months after the end of the fiscal year of the auditee (see AG Rule 10.730(5))?

NA

For Florida Is For Veterans, Inc., is the audit report being submitted within 45 days of delivery of the audit report to the auditee, but no later than December 1 after the end of the fiscal year of the auditee (see AG Rule 10.730(5))?

**This checklist should accompany the audit report.** It is suggested that you retain a copy of the checklist for your files. Do not hesitate to contact this office if assistance or clarification is needed regarding reporting requirements. Our telephone and fax numbers, and electronic addresses, are as follows:

**Address –**

Auditor General  
Local Government Audits/342  
Claude Pepper Building, Room 401  
111 West Madison Street  
Tallahassee, FL 32399-1450

Telephone: (850) 412-2881

Fax: (850) 488- 6975

E-mail Address: [flaudgen\\_localgovt@aud.state.fl.us](mailto:flaudgen_localgovt@aud.state.fl.us)

Web Site Address: [www.myflorida.com/audgen](http://www.myflorida.com/audgen)

AAA SCHOLARSHIP FOUNDATION, INC.

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INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT

To the Board of Directors of  
AAA Scholarship Foundation, Inc.

We have audited the accompanying financial statements of AAA Scholarship Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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. 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 audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AAA Scholarship Foundation, Inc. as of June 30, 2015 and 2014, 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.



Athens, Georgia  
October 29, 2015

**AAA SCHOLARSHIP FOUNDATION, INC.**

**Statements of Financial Position  
As of June 30, 2015 and 2014**

	2015	2014
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,299,572	\$ 11,514,579
Investments - short term	3,714,943	15,121
Pledges receivable	1,525,000	1,139,090
Other assets	42,239	10,175
Investments - long term	9,396,776	-
Fixed assets (net)	4,086	-
Total assets	\$ 20,982,616	\$ 12,678,965
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 32,140	\$ 24,413
Scholarships payable - current	8,481,801	4,243,740
Scholarships payable - net of current portion	9,881,368	7,949,899
Total liabilities	18,395,309	12,218,052
Commitments and contingencies	-	-
Net assets:		
Unrestricted	(633,629)	(795,090)
Temporarily restricted	3,220,936	1,256,003
Permanently restricted	-	-
Total net assets	2,587,307	460,913
Total liabilities and net assets	\$ 20,982,616	\$ 12,678,965

The accompanying notes are an integral part of these financial statements

AAA SCHOLARSHIP FOUNDATION, INC.

Statements of Activities and Changes in Net Assets  
For the years ended June 30, 2015 and 2014

	Year Ended June 30, 2015			Year Ended June 30, 2014				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenue and other support -</b>								
Contributions (net of administrative allowance)	\$ -	\$ 12,665,374	\$ -	\$ 12,665,374	\$ -	\$ 7,964,080	\$ -	\$ 7,964,080
Grants	-	805,022	-	805,022	-	-	-	-
Administrative allowance	1,277,254	-	-	1,277,254	748,266	-	-	748,266
Donated services	-	-	-	-	9,000	-	-	9,000
Other	2,737	-	-	2,737	-	-	-	-
Interest	-	74,351	-	74,351	-	12,728	-	12,728
Net assets released from restrictions	11,579,814	(11,579,814)	-	-	6,720,805	(6,720,805)	-	0
Total revenue and other support	12,859,805	1,964,933	-	14,824,738	7,478,071	1,256,003	-	8,734,074
<b>Expenses -</b>								
Program services - scholarships	12,123,327	-	-	12,123,327	7,818,213	-	-	7,818,213
Management and general	19,539	-	-	19,539	17,604	-	-	17,604
Fundraising	555,478	-	-	555,478	329,656	-	-	329,656
Total expenses	12,698,344	-	-	12,698,344	8,165,473	-	-	8,165,473
<b>Change in net assets</b>	161,461	1,964,933	-	2,126,394	(687,402)	1,256,003	-	568,601
<b>Net assets, beginning of year</b>	(795,090)	1,256,003	-	460,913	(107,688)	0	-	(107,688)
<b>Net assets, end of year</b>	\$ (633,629)	\$ 3,220,936	\$ -	\$ 2,587,307	\$ (795,090)	\$ 1,256,003	\$ -	\$ 460,913

The accompanying notes are an integral part of these financial statements



**AAA SCHOLARSHIP FOUNDATION, INC.**

**Statements of Cash Flows  
For the years ended June 30, 2015 and 2014**

	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ 2,126,394	\$ 568,600
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	163	-
Changes in assets and liabilities:		
Pledges receivable	(385,910)	(1,013,000)
Other assets	(32,064)	(6,990)
Accounts payable and accrued expenses	7,727	4,397
Scholarships payable	6,169,530	4,002,802
Net cash provided by operating activities	7,885,840	3,555,809
Cash used in investing activities:		
Purchase of investments	(13,096,598)	(15)
Purchase of fixed assets	(4,249)	-
Net cash used by investing activities	(13,100,847)	(15)
Net change in cash	(5,215,007)	3,555,794
Cash at beginning of year	11,514,579	7,958,785
Cash at end of year	\$ 6,299,572	\$ 11,514,579

The accompanying notes are an integral part of these financial statements

AAA Scholarship Foundation, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015 and 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Organization

The AAA Scholarship Foundation, Inc. ("AAA") is a Georgia not-for-profit organization incorporated March 26, 2010 with the mission of ensuring economically disadvantaged families and families of children with disabilities have equal access to the customized K-12 learning options they need to effectively educate their children. AAA believes that educational option programs spur improvements by equipping parents with the tools to seek the best education for their children. AAA's primary focus is in providing learning options for children from low-income and working class families and for children with disabilities.

AAA Scholarship Foundation – FL, LLC ("AAA-FL") is a wholly-owned subsidiary of AAA that commenced operation in December 2013.

AAA is an approved Scholarship Organization (SO) in Georgia, Arizona, Pennsylvania and Alabama. AAA-FL is an approved SO in Florida. As an SO, AAA and AAA-FL (together, referred to as "AAA") may receive re-directed taxes from taxpayers which are then distributed to qualified students in the form of scholarships so they may attend the qualified private school of their parent's choice. Below are tables summarizing the six state tax credit programs administered by AAA during the fiscal year ended June 30, 2015:

	AZ	GA	PA
Cap for Current Year	\$43 million	\$58 million	\$50 million
Year for Cap Purposes	July 1 - June 30	Jan 1 - Dec 31	July 1 - June 30
Taxes Available for Redirection	Corporate income tax & insurance premium tax	Corporate and individual income tax	Corporate net income tax, capital stock franchise tax, bank and trust company shares tax, title insurance companies share tax, insurance premiums tax, or mutual thrift institution tax
Percentage of Tax Available for Redirection	100% for both taxes	75% for companies; Individuals filing as single or head of household can redirect up to \$1,000 per tax year. Individuals filing jointly can redirect up to \$2,500 per tax year	Up to \$750,000 annually
Value of Tax Credit	Dollar-for-dollar	Dollar-for-dollar	75 percent for a one year commitment. 90 percent for a two year commitment.
Maximum Annual Scholarship Value	\$5,100 for k – 8 <sup>th</sup> grade \$6,400 for 9 <sup>th</sup> – 12 <sup>th</sup> grade	\$7,500	\$8,500
Scholarship Term	3 years	3 years	1 year
Administrative Allowance	10 percent	10 % for first \$1.5 million; 7% for \$1.5 million – 10 million; 6% for \$10 million – 20 million; 5% over \$20 million	20 percent

AAA Scholarship Foundation, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015 and 2014

	AZ - DD	AL	FL
<b>Cap for Current Year</b>	\$5 million	\$25 million	\$358 million
<b>Year for Cap Purposes</b>	July 1 - June 30	Jan 1 - Dec 31	Income Tax Jan 1 – Corp FYE Insurance Premium Tax Jan 1 – Dec 31 Alcoholic beverage excise tax, direct pay sales and use tax, oil and/or gas production tax July 1 – June 30
<b>Taxes Available for Redirection</b>	Corporate income tax & insurance premium tax	Corporate and individual income tax	Income tax, insurance premium tax, alcoholic beverage excise tax, direct pay sales and use tax, oil and/or gas production tax
<b>Percentage of Tax Available for Redirection</b>	100% for both taxes	50% (not to exceed \$7,500 for individuals)	100% for income tax, insurance premium, direct pays sales and use tax 90% for alcoholic beverage excise tax 50% for oil and/or gas production tax
<b>Value of Tax Credit</b>	Dollar-for-dollar	Dollar-for-dollar	Dollar-for-dollar
<b>Maximum Annual Scholarship Value</b>	90% of the amount of state aid that would otherwise have been computed for the student in Title 15, Chapter 9, Article 15	\$7,500	\$5,272 private school or \$500 transportation to public school outside of district
<b>Scholarship Term</b>	3 years	1 year	1 year
<b>Administrative Allowance</b>	10 percent	5 percent	Zero percent for first 3 years then 3 percent

In addition, AAA is an approved administrator of the Florida Personal Learning Scholarship Account (FL PLSA). The FL PLSA was established in 2014 to provide parents the option to better meet the individual needs of their eligible children. Parents of eligible Florida children may use the accounts to purchase approved goods or services. The FL PLSA is funded by a direct appropriation from the Legislature, with the money disbursed to the various scholarship organizations based on the scholarship amounts awarded to each of its approved students. For 2014-15, the state appropriation for the FL PLSA was \$18.4 million.

## 2. Basis of Presentation

The financial statements of AAA have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of AAA and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.



AAA Scholarship Foundation, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that may be maintained permanently by AAA. AAA does not currently have any permanently restricted net assets.

3. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. AAA has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. AAA recognized no donated goods during the fiscal year ended June 30, 2015 and \$9,000 for the year ended June 30, 2014.

4. Cash and Cash Equivalents

AAA considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

AAA maintains its cash accounts at a commercial bank. Such amounts on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At June 30, 2015 and 2014, cash on deposit at a commercial bank exceeded the \$250,000 FDIC limit by \$6,049,572 and \$11,264,579 respectively.

Each state program has its own requirements regarding contributions received under the program after administrative allowance (if any) and interest earned on contributions to be used for scholarships.

At June 30, 2015, cash on deposit and restricted for scholarships is as follows:

Georgia Private School Tax Credit Scholarship Program	\$1,543,403
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$1,841,108
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$823,130
Pennsylvania Opportunity Scholarship Tax Credit	\$604,420
Alabama Educational Scholarship Program	\$348,215
Florida Tax Credit Scholarship Program	\$144,742
Florida Personal Learning Scholarship Account	\$290,232

AAA Scholarship Foundation, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

At June 30, 2014, cash restricted for scholarships is as follows:

Georgia Private School Tax Credit Scholarship Program	\$2,630,167
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$7,547,630
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$162,026
Pennsylvania Opportunity Scholarship Tax Credit	\$450,327
Alabama Educational Scholarship Program	\$177,094

5. Pledges Receivable

Pledges receivable represent unconditional promises to give and are recorded as receivable and revenue at fair value when received. Management evaluates the collectability of its pledges receivable and records an allowance for estimated uncollectible amounts, if necessary.

6. Fixed Assets

AAA capitalizes property and equipment on the basis of cost at the acquisition date, and fully depreciated assets are carried on the books until the date of disposal. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Repairs and maintenance expenditures are charged to expense when incurred.

7. Functional Allocation of Expenses

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

8. Held to Maturity Securities

AAA determines the appropriate classification of its investments in debt and equity securities at the time of purchase and reevaluates such determinations at each balance sheet date. Securities are classified as held to maturity when the Company has the positive intent and ability to hold the securities to maturity. Held to maturity securities are recorded as either short or long-term on the Statement of Financial Position, based on contractual maturity date and are stated at amortized cost.



**Financial Statements**  
Together with Report of Independent Certified Public Accountant  
For the Years Ended June 30, 2015 and 2014

and

**Independent Auditor's Report on Compliance and  
on Internal Control over Compliance  
For the Year Ended June 30, 2015**



AAA Scholarship Foundation, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

At June 30, 2015, AAA held investments in marketable securities that were classified as held to maturity and consisted of the following:

<u>Short-Term:</u>	<u>Amortized Cost</u>
U.S. government securities	\$3,699,808
Certificate of deposit	<u>\$15,135</u>
Total Short-Term	\$3,714,943
 <u>Long-Term:</u>	
U.S. government securities	<u>\$9,396,776</u>
Total Held to Maturity securities	\$13,111,719

At June 30, 2014, there were no investments in marketable securities.

9. Accounting Estimates

The presentation of financial statements in conformity with U. S. 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 revenue's and expenses during the reporting period. Actual results could differ from those estimates.

10. Income Taxes

In 2006, the FASB issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109*, (FIN 48), which clarifies the accounting for uncertainty in tax positions. FIN 48 has been codified in FASB ASC 740-10. FIN 48 requires that the Association recognize in the financial statements the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. AAA adopted the provisions of FIN 48 as of July 1, 2009. AAA is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. At June 30, 2015 and 2014, there are no deferred tax assets and liabilities or current income tax expense.

No interest or penalties resulting from an underpayment of income taxes have been recognized in the statement of activities or in the statement of financial position. AAA has no positions for which it believes it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within the next twelve months. The tax years 2015 through 2011 remain subject to examination by the Internal Revenue Service.

AAA Scholarship Foundation, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014

NOTE B – PLEDGES RECEIVABLE

Pledges receivable at June 30 consists of the following:

	2015	2014
Pledges due within one year	\$ <u>1,525,000</u>	\$ <u>1,139,090</u>

At June 30, 2015 and 2014, all pledges receivable are expected to be collected during the next year. Management has determined that the pledges receivable are fully collectible; therefore, no allowance for uncollectible pledges is considered necessary at June 30, 2015 and 2014.

NOTE C – FIXED ASSETS

At June 30, 2015 and 2014, fixed assets consisted of the following:

	2015	2014
Computers	\$ 3,609	\$ -
Furniture and equipment	640	-
	4,249	-
Less accumulated depreciation	(163)	-
Net property and equipment	\$ 4,086	\$ -

Depreciation expense was \$163 and \$0 for the years ended June 30, 2015 and 2014.

NOTE D – SCHOLARSHIP CONTRIBUTIONS AND GRANTS

During the fiscal years ended June 30, 2015 and 2014, AAA received re-directed taxes from taxpayers in Georgia, Arizona, Pennsylvania, Alabama and Florida. Each state Tax Credit Scholarship Program requires that contributions received under the program after administrative allowance and all interest earned on contributions must be used for scholarships.

During the fiscal year ended June 30, 2015, AAA recorded the following re-directed taxes as contributions:

Georgia Private School Tax Credit Scholarship Program	\$223,443
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$11,077,505
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$785,000
Pennsylvania Opportunity Scholarship Tax Credit	\$15,000
Alabama Educational Scholarship Program	\$306,680
Florida Tax Credit Scholarship Program	\$1,535,000

AAA Scholarship Foundation, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015 and 2014

NOTE D – SCHOLARSHIP CONTRIBUTIONS AND GRANTS – CONTINUED

Of the re-directed taxes recorded as contributions, the following pledges were outstanding and deemed as collectible as June 30, 2015:

Florida Tax Credit Scholarship Program	\$1,525,000
--	-------------

During the fiscal year ended June 30, 2015, AAA claimed the following administrative allowances against collected contributions:

Georgia Private School Tax Credit Scholarship Program	\$22,344
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$1,107,751
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$78,500
Pennsylvania Opportunity Scholarship Tax Credit	\$51,500
Alabama Educational Scholarship Program	\$17,159

During the fiscal year ended June 30, 2015, AAA earned the following interest on collected contributions:

Georgia Private School Tax Credit Scholarship Program	\$3,615
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$67,081
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$1,315
Pennsylvania Opportunity Scholarship Tax Credit	\$1,194
Alabama Educational Scholarship Program	\$461
Florida Tax Credit Scholarship Program	\$685

During the fiscal year ended June 30, 2015, AAA received a grant for \$805,022 from the State of Florida for the Florida PLSA program. The grant agreement allowed for no administrative allowance and that all interest earned on the grant funds be remitted to the State. The amount of interest earned on the grant funds was \$384.

During the fiscal year ended June 30, 2014, AAA recorded the following re-directed taxes as contributions:

Georgia Private School Tax Credit Scholarship Program	\$120,000
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$6,589,466
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$180,000
Pennsylvania Opportunity Scholarship Tax Credit	\$1,000,000
Alabama Educational Scholarship Program	\$222,880
Florida Tax Credit Scholarship Program	\$600,000

Of the re-directed taxes recorded as contributions, the following pledges were outstanding and deemed as collectible as June 30, 2014:

Pennsylvania Opportunity Scholarship Tax Credit	\$500,000
Alabama Educational Scholarship Program	\$36,500
Florida Tax Credit Scholarship Program	\$600,000



AAA Scholarship Foundation, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014

NOTE D – SCHOLARSHIP CONTRIBUTIONS AND GRANTS – CONTINUED

During the fiscal year ended June 30, 2014, AAA claimed the following administrative allowances against contributions:

Georgia Private School Tax Credit Scholarship Program	\$12,000
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$658,946
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$18,000
Pennsylvania Opportunity Scholarship Tax Credit	\$50,000
Alabama Educational Scholarship Program	\$9,319

During the fiscal year ended June 30, 2014, AAA earned the following interest on cash restricted for scholarships:

Georgia Private School Tax Credit Scholarship Program	\$4,503
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$7,755
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$27
Pennsylvania Opportunity Scholarship Tax Credit	\$367
Alabama Educational Scholarship Program	\$74

NOTE E – SCHOLARSHIPS AWARDED AND PAYABLE

AAA scholarships are awarded to qualified students for multi-year periods in Georgia and Arizona and for a one year period in Pennsylvania, Alabama and Florida. To qualify for a scholarship, a student and the parents or guardian of that student must meet certain state and AAA requirements, enroll in an eligible private school and comply with certain other responsibilities for program participation. For multi-year scholarships the parents or guardian must return a completed School Commitment Form by the specified deadline for subsequent years in order to remain eligible.

During the fiscal year ended June 30, 2015, AAA expensed the following net scholarships:

Georgia Private School Tax Credit Scholarship Program	(\$161,657)
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$8,202,783
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$681,070
Pennsylvania Opportunity Scholarship Tax Credit	\$402,601
Alabama Educational Scholarship Program	\$270,861
Florida Tax Credit Scholarship Program	\$1,379,133
Florida Personal Learning Scholarship Account	\$805,022

AAA Scholarship Foundation, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014

NOTE E – SCHOLARSHIPS AWARDED AND PAYABLE – CONTINUED

The following schedule illustrates the scholarships awarded but unpaid as of June 30, 2015:

	<u>Payable in 2015-16</u>	<u>Payable in 2016-17</u>	<u>Payable in 2017-18</u>	<u>Total</u>
Georgia Private School Tax Credit Scholarship Program	\$1,494,375	\$30,000	\$30,000	\$1,544,375
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$4,802,650	\$4,713,050	\$4,601,050	\$14,116,750
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$265,913	\$265,913	\$241,355	\$773,181
Pennsylvania Opportunity Scholarship Tax Credit	\$585,000	\$0	\$0	\$585,000
Alabama Educational Scholarship Program	\$130,500	\$0	\$0	\$130,500
Florida Tax Credit Scholarship Program	\$913,189	\$0	\$0	\$913,189
Florida Personal Learning Scholarship Account	\$290,173	\$0	\$0	\$290,173
<b>Total:</b>	<u>\$8,481,801</u>	<u>\$5,008,963</u>	<u>\$4,872,405</u>	<u>\$18,363,169</u>

During the fiscal year ended June 30, 2014, AAA awarded the following net scholarships:

Georgia Private School Tax Credit Scholarship Program	\$180,380
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$6,594,997
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$168,825
Pennsylvania Opportunity Scholarship Tax Credit	\$493,000
Alabama Educational Scholarship Program	\$15,000

Tax credit scholarship checks are disbursed in four installments each school year after receipt of a verification report from the school. The verification report limits the risk that a check might be issued for a student who has withdrawn from the eligible private school or the student's parent or guardian has not complied with their responsibilities under the program. The checks are made payable to the student's parent or guardian and are restrictively endorsed for deposit only to the private school by law.

FL PLSA disbursements are made pursuant to a request from a student's parent or guardian for an authorized education-related good or service. The disbursement may be made to a private school, a vendor or as a reimbursement to a parent or guardian. All disbursements are made electronically by law.

AAA Scholarship Foundation, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014

NOTE F – TEMPORARILY RESTRICTED NET ASSETS

A June 30, 2015, net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

Georgia Private School Tax Credit Scholarship Program	(\$161,657)
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$8,202,783
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$681,070
Pennsylvania Opportunity Scholarship Tax Credit	\$402,601
Alabama Educational Scholarship Program	\$270,861
Florida Tax Credit Scholarship Program	\$1,379,133
Florida Personal Learning Scholarship Account	\$805,022

At June 30, 2014, net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

Georgia Private School Tax Credit Scholarship Program	\$180,380
Arizona Low-Income Corporate Tax Credit Scholarship Program	\$6,594,997
Arizona Disabled-Displaced Tax Credit Scholarship Program	\$168,824
Pennsylvania Opportunity Scholarship Tax Credit	\$493,000
Alabama Educational Scholarship Program	\$15,000

NOTE G – CONCENTRATION OF RISKS

Contributions from four major donors accounted for approximately 76 percent of contributions received for the fiscal year ended June 30, 2015. The pledges from three of these donors were fully paid as of June 30, 2015. A \$1,000,000 pledge from one was outstanding and deemed collectible as of June 30, 2015.

Contributions from three major donors accounted for approximately 82 percent (82%) of contributions received for the fiscal year ended June 30, 2014. The pledges from two of these donors were fully paid as of June 30, 2014. A \$500,000 pledge from one was outstanding and deemed collectible as of June 30, 2014.

NOTE H - RELATED PARTY TRANSACTIONS

AAA retained the services of their Chief Executive Officer's accounting firm to provide bi-weekly payroll services for between \$20 and \$30 per month and shares office space and equipment with the same firm for \$1,500 per month from July 2014 through February 2015. In March 2015, AAA took over the lease for the office space for \$2,000, purchased the office equipment from the same firm for \$3,609 and discontinued using the payroll service.

NOTE I - FAIR VALUE

FASB Statement No. 157 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value



AAA Scholarship Foundation, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2015 and 2014

NOTE I - FAIR VALUE – CONTINUED

measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB Statement No. 157, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities AAA has the ability to access.

Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include AAA's own data).

The following table presents AAA's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2015:

June 30, 2015:	Amortized Cost	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	Unrecognized Gain/(Loss)
Held to Maturity - Short-Term	\$3,714,943	\$3,699,974	\$15,135	\$0	\$166
Held to Maturity - Long-Term	<u>\$9,396,776</u>	<u>\$9,428,233</u>	<u>\$0</u>	<u>\$0</u>	<u>\$31,457</u>
Total:	\$13,111,719	\$13,128,207	\$15,135	\$0	\$31,623

The following table presents AAA's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2014.

Financial instruments owned:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificate of Deposit	\$0	\$15,121	\$0

AAA Scholarship Foundation, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014

NOTE J – COMPLIANCE WITH STATE STATUTES

As an SO in multiple states, AAA must comply with certain operational and reporting requirements established and adopted into law by each state. Failure to comply with these statutes may result in sanctions that suspend or revoke operations. For the years ending June 30, 2015 and 2014, AAA is in compliance with all operating and reporting requirements for each applicable state.

NOTE K – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the accountant's report and there were no significant events that would require disclosure in the financial statements.

## Supplementary Information



INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT  
ON ADDITIONAL INFORMATION

To the Board of Directors of  
AAA Scholarship Foundation, Inc.

We have audited the financial statements of AAA Scholarship Foundation, Inc. as of and for the years ended June 30, 2015 and 2014, and issued our report thereon dated October 29, 2015, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules of functional expenses are presented for the purposes of additional analysis and are 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 supplementary schedules of functional expenses are fairly stated in all material respects in relation to the financial statements as a whole.



Athens, Georgia  
October 29, 2015

AAA Scholarship Foundation, Inc.  
 Supplementary Schedules of Functional Expenses  
 For the years ended June 30, 2015 and 2014

	For the year ended June 30, 2015			For the year ended June 30, 2014				
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Direct program costs	\$ 11,579,814	\$ -	\$ -	\$ 11,579,814	\$ 7,452,200	\$ -	\$ -	\$ 7,452,200
Accounting fees	393	49	49	491	388	49	49	486
Audit fees	7,700	850	850	9,400	5,760	720	720	7,200
Advertising / marketing	55,208	25	3,328	58,561	25,969	-	-	25,969
Bank service fees	8,671	226	226	9,123	2,110	84	84	2,278
Business registration fees	550	9	3,576	4,135	914	14	2,958	3,886
Conferences / meetings	-	-	-	0	765	-	6,495	7,260
Contractor expenses	67,345	600	508,054	575,999	25,815	1,707	295,285	322,807
Depreciation	130	16	16	162	-	-	-	0
Dues, fees, & subscriptions	2,892	173	4,887	7,952	(1,102)	78	3,457	2,433
Equipment rental	3,728	274	274	4,276	1,060	45	45	1,150
Insurance	3,587	230	230	4,047	697	87	87	871
Interest expense	-	-	-	0	-	-	-	0
Legal fees	5,396	1,129	6,741	13,266	13,321	57	5,203	18,581
License - software	1,272	40	40	1,352	-	-	-	0
Meals & entertainment	-	-	-	0	732	53	105	890
Meals & entertainment board	-	-	-	0	95	12	12	119
Office equipment	44	6	6	56	290	-	216	506
Postage, mailing service	5,254	143	605	6,002	2,391	210	235	2,836
Printing & reproduction	3,034	-	275	3,309	-	-	-	0
Professional development	470	59	134	663	-	-	90	90
Rent - facilities	17,012	2,127	2,127	21,266	14,400	1,800	1,800	18,000
Repairs and maintenance	-	-	-	0	232	29	29	290
Supplies	3,805	379	378	4,562	2,176	208	209	2,593
Taxes - payroll	19,984	869	869	21,722	15,753	705	705	17,163
Telephone & communications	5,436	349	484	6,269	2,011	101	227	2,339
Travel & meetings	27,309	211	10,554	38,074	15,822	195	195	16,212
Wages and benefits	300,685	11,468	11,468	323,621	235,354	11,341	11,341	258,036
Web / internet hosting	3,608	307	307	4,222	1,060	109	109	1,278
Total expenses	\$ 12,123,327	\$ 19,539	\$ 555,478	\$ 12,698,344	\$ 7,818,213	\$ 17,604	\$ 329,656	\$ 8,165,473

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND  
ON INTERNAL CONTROL OVER COMPLIANCE

To the Board of Directors of  
AAA Scholarship Foundation, Inc.

Compliance

We have audited the compliance of AAA Scholarship Foundation, Inc., ("AAA Scholarship Foundation") with the types of compliance requirements described in the Rules of the Auditor General - Chapter 10.700 and Florida Statutes - Section 1002.395 that are applicable for the year ended June 30, 2015. Compliance with the requirements of laws, regulations, contract, and grants is the responsibility of AAA Scholarship Foundation's management. Our responsibility is to express an opinion on AAA Scholarship Foundation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and Chapter 10.700 of the Rules of the Auditor General of Florida. These standards and rules 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 the financial statements occurred. An audit includes examining, on a test basis, evidence about AAA Scholarship Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on AAA Scholarship Foundation's compliance with those requirements.

In our opinion, AAA Scholarship Foundation complied, in all material respects, with the requirements referred to above that are applicable for the year ended June 30, 2015.

Internal Control Over Compliance

Management of AAA Scholarship Foundation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants. In planning and performing our audit, we considered AAA Scholarship Foundation's internal control over compliance with the requirements that could have a direct and material effect on the financial statements to determine our auditing procedures for the purpose of expressing our opinion on compliance, and test and report on internal control over compliance in accordance with the Rules of the Auditor General Chapter 10.700 and Section 1002.395 Florida Statutes, 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 AAA Scholarship Foundation'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 noncompliance with a type of compliance requirement on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected on a timely basis.



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 that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This communication is intended solely for the information and use of management, the board of directors, the Florida Department of Education, the Executive Office of the Governor of the State of Florida, the State of Florida Office of the Auditor General, and the Florida Department of Revenue, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "S G Cash". The signature is written in a cursive style with a large initial "S" and "G".

Athens, Georgia  
October 29, 2015

Report No. 2016-054  
December 2015

**STATE OF FLORIDA AUDITOR GENERAL**

Operational Audit

**AAA SCHOLARSHIP  
FOUNDATION – FL, LLC**



Sherrill F. Norman, CPA  
Auditor General

### **Board of Directors and President**

During the period July 2014 through February 2015, Kim Dyson served as President and Chief Executive Officer and the following individuals served as members of the Board of Directors for AAA Scholarship Foundation – FL, LLC:

Dwight Glisson  
Teri L'Homme  
James Moran to October 2, 2014<sup>a</sup>

<sup>a</sup> Board member position remained vacant from October 3, 2014, through February 28, 2015.

The team leader was Anna A. McCormick, CPA, and the audit was supervised by Derek H. Noonan, CPA.

Please address inquiries regarding this report to Marilyn D. Rosetti, CPA, Audit Manager, by e-mail at [marilynrosetti@aud.state.fl.us](mailto:marilynrosetti@aud.state.fl.us) or by telephone at (850) 412-2881.

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**State of Florida Auditor General**

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# AAA SCHOLARSHIP FOUNDATION–FL, LLC

## **SUMMARY**

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This operational audit of AAA Scholarship Foundation – FL, LLC (AAA) focused on selected administrative activities and management’s performance related to the Florida Tax Credit Scholarship (FTC) and Florida Personal Learning Scholarship Accounts (PLSA) Programs, including AAA’s compliance with applicable laws and rules. Our audit disclosed the following:

### **Administrative Management and Board Policies**

**Finding 1:** The Board could enhance policies and procedures for the mitigation, detection, and reporting of fraud.

### **Related Information**

Section 11.45(2)(k), Florida Statutes, requires our audit to include a determination of AAA’s compliance with certain FTC Program provisions. Our audit procedures and tests of selected AAA records and accounts found that AAA generally complied with the applicable provisions of Section 1002.395, Florida Statutes.

Section 1002.385(14)(a), Florida Statutes, provides that, as part of our audit, we are to verify the total amount of students served and eligibility of reimbursements made by AAA for the PLSA Program and transmit that information to the Florida Department of Education. Our audit procedures disclosed that, during the period July 2014 through February 2015,<sup>1</sup> 50 students received PLSA Program scholarships totaling \$260,945. In addition, our tests of AAA records found that the PLSA Program scholarship payments selected for audit were eligible PLSA Program disbursements.

## **BACKGROUND**

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AAA Scholarship Foundation, Inc. (Corporation), was incorporated in Georgia in 2010 and is registered in Florida as a foreign nonprofit corporation. AAA Scholarship Foundation – FL, LLC (AAA), a wholly owned subsidiary of the Corporation, is a Florida nonprofit scholarship funding organization (SFO) registered on December 10, 2013, as a single member limited liability company, and operating pursuant to State law.<sup>2</sup> AAA’s mission is to provide economic and other assistance to economically disadvantaged families and families of disabled students to enable them to select the best schools for their children. The governing body of AAA is the Corporation’s Board of Directors (Board), which is composed of two to five members, who each serve a 1-year term. New members are elected by the Board. The Board sets policy, develops and approves strategic plans and the related resource allocations, and is responsible for the performance of the organization as a whole, whereas the Chief Executive Officer (CEO) is responsible for the day-to-day operations.

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<sup>1</sup> Chapter 2014-184, Laws of Florida, created the PLSA Program effective July 1, 2014.

<sup>2</sup> Section 1002.395(2)(f), Florida Statutes.



State law<sup>3</sup> established the Florida Tax Credit Scholarship (FTC) Program to expand educational opportunities for children of families with limited financial resources. The FTC Program provides that eligible nonprofit SFOs may solicit and receive eligible contributions. Such contributions entitle donors to a 100 percent State tax credit against corporate income tax, insurance premium tax, alcoholic beverage excise tax, direct-pay sales tax, and oil and gas severance tax. State law<sup>4</sup> requires SFOs to use the contributions received for eligible students' private school tuition, transportation to public schools outside their districts, or transportation to lab schools.

State law<sup>5</sup> requires the Florida Department of Education (FDOE) to determine, and annually verify, the eligibility of SFOs, and the FDOE recognized AAA as an eligible SFO for the 2014-15 fiscal year. Table 1 shows AAA's FTC Program activity for the 2014-15 fiscal year.

**Table 1**  
**AAA FTC Program Activities**  
**For the 2014-15 Fiscal Year**

Contributions collected	\$610,000
Total scholarships paid	\$465,943
Number of students awarded scholarships	103
Number of private schools paid	40

Source: AAA records.

For the 2014-15 fiscal year, eligible students received from the FTC Program maximum scholarship awards of \$5,272 to attend eligible private schools; however, AAA did not award any scholarships for transportation expenses.

Additionally, effective July 1, 2014, State law<sup>6</sup> established the Florida Personal Learning Scholarship Accounts (PLSA) Program to help meet the educational needs of students who have a specified intellectual disability such as autism, cerebral palsy, or Down syndrome. State law requires the PLSA Program moneys to be used for:

- Instructional materials including digital devices and other assistive technology devices;
- Curriculum and any required supplemental materials;
- Specialized services by approved providers selected by the parent;
- Enrollment in an eligible private school, an eligible postsecondary institute, an authorized private tutoring program, or a virtual instruction program offered by an FDOE-approved provider;
- Examination fees for specified tests and assessments;
- Contributions to the Prepaid College Program; and
- Contracted services provided by a public school.

<sup>3</sup> Chapter 2001-255, Laws of Florida, and Section 1002.395(3)(a), Florida Statutes.

<sup>4</sup> Section 1002.395(6)(d), Florida Statutes.

<sup>5</sup> Section 1002.395(9)(b), Florida Statutes.

<sup>6</sup> Section Chapter 2014-184, Laws of Florida, and 1002.385(1), Florida Statutes.

As an SFO participating in the FTC Program, AAA qualified to participate in the PLSA Program. According to AAA accounting records, for the 2014-15 fiscal year, AAA paid PLSA Program scholarship awards totaling \$514,849 for the benefit of 75 eligible students. The scholarship award amounts ranged from \$9,095 to \$10,982, depending on the student's county of residence and grade level.

## ***FINDING AND RECOMMENDATION***

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ADMINISTRATIVE MANAGEMENT AND BOARD POLICIES
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### **Finding 1: Anti-Fraud Policy**

AAA established an anti-fraud policy titled *Employee Protection (Whistleblower) Policy* that includes procedures for employee-reporting of suspected ethics and fraud violations. The policy establishes the responsibilities for investigating suspected violations, protects the reputation of persons suspected but not found guilty of fraud, identifies consequences of fraudulent behavior, and includes incident-reporting procedures that allow individuals to anonymously report suspected violations. The policy also directs employees to report suspected unethical or fraudulent activities to their supervisor or the Compliance Officer (CO) for investigation and identifies the Chief Executive Officer (CEO) as the CO.

While the policy had many positive features, it did not define fraud or identify examples of fraudulent behavior, such as theft or other misappropriation of assets or intentional misstatement of operational results. Further, given the CEO/CO's managerial responsibilities as the direct supervisor for five employees, the policy did not provide an appropriate process for communicating and reporting known or suspected fraud related to the actions of AAA management. Defining and identifying examples of fraud may help identify such violations. Also, an established process for communicating and reporting directly to the Board and AAA's legal counsel any instances of known or suspected fraud related to the actions of AAA management promotes timely and appropriate actions to investigate the reported instances.

In response to our inquiries, AAA revised the *Whistleblower Policy* on September 22, 2015, to include several specific examples of fraud.

**Recommendation:** The Board should further enhance the anti-fraud policy to establish a process requiring any instances of known or suspected fraud related to the actions of AAA management be communicated and reported directly to the Board and AAA legal counsel.

## ***RELATED INFORMATION***

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As described in the ***OBJECTIVES, SCOPE, AND METHODOLOGY*** section of this report, we performed procedures to determine AAA's compliance with various statutory provisions related to the FTC Program. Our audit procedures and tests of selected AAA records and accounts found that AAA generally complied with the applicable provisions of Section 1002.395, Florida Statutes.

In addition, as also described in the ***OBJECTIVES, SCOPE, AND METHODOLOGY*** section of this report, we performed procedures to verify the number of students who received PLSA Program

scholarships during the period July 2014 through February 2015,<sup>7</sup> and examined documentation for selected scholarship payments to determine whether the payments were eligible PLSA Program disbursements. Our procedures disclosed that, during the period July 2014 through February 2015, 50 students received PLSA Program scholarships totaling \$260,945. In addition, our tests of AAA records found that the PLSA Program scholarship payments selected for audit were eligible PLSA Program disbursements.

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations. State law<sup>8</sup> requires us to conduct annual operational audits of the accounts and records of SFOs participating in the FTC and PLSA Programs.<sup>9</sup>

We conducted this operational audit from March 2015 to July 2015, in accordance with applicable generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

An audit by its nature does not include a review of all records and actions of entity management, staff, and vendors, and, as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

The objectives of this operational audit were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, including applicable provisions of Section 1002.395, Florida Statutes; rules; regulations; contracts; grant agreements; and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those controls.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in management's internal controls, instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines, and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining

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<sup>7</sup> Chapter 2014-184, Laws of Florida, created the PLSA Program effective July 1, 2014.

<sup>8</sup> Sections 11.45(2)(k) and 1002.385(14)(a), Florida Statutes.

<sup>9</sup> Sections 1002.385 and 1002.395, Florida Statutes.



significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

For those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of various records and transactions occurring from March 2014 through February 2015, and selected actions taken subsequent thereto. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination. Specifically, we:

- Reviewed applicable laws, rules, regulations, and AAA policies and procedures applicable to the FTC and PLSA Programs and interviewed AAA personnel to gain an understanding of AAA's scholarship-related operations.
- Obtained an understanding of AAA's internal controls and evaluated the effectiveness of key FTC and PLSA Program processes, policies, and procedures for ensuring compliance with significant governing laws, economic and efficient operations, reliability of records and reports, and the safeguarding of assets.
- Determined whether the three AAA bank accounts used for the FTC and PLSA Program moneys were administered through a qualified public depository pursuant to Section 1002.395(14), Florida Statutes, and whether separate accounts were established for scholarship and operating funds as required by Section 1002.395(6)(k), Florida Statutes. Determined whether AAA periodically reviewed banking agreements for sufficiency of providing adequate safeguards. Reviewed AAA's controls for electronic transfers and transmitting funds via Automated Clearing House to students for the PLSA Program.
- Examined AAA's records during the period July 2014 through February 2015 and determined that the SFO did not have any investments.
- Examined documentation to determine whether AAA performed required level 2 background screenings and verified that there were no bankruptcies associated with the two AAA owners or operators as required by Section 1002.395(6), Florida Statutes.
- Examined AAA documentation to determine whether the PLSA Program report required to be submitted on January 30, 2015, was timely submitted to the FDOE and contained the information required by Section 1002.385(9)(d), Florida Statutes, and State Board of Education Rule 6A-6.0961(6), Florida Administrative Code.
- Confirmed with the surety that the surety bond AAA obtained pursuant to its 2015-16 fiscal year renewal application submitted to the FDOE in September 2014 was still maintained as of April 2015 and was in the amount required by Section 1002.395(6)(p), Florida Statutes.
- Examined AAA records supporting the population of 50 students who received PLSA Program scholarships during the period July 2014 through February 2015, as well as documentation for



22 students to verify the number of students served and to determine whether AAA ensured compliance with applicable Program eligibility requirements established in Section 1002.385(3)(a), Florida Statutes, and State Board of Education Rule 6A-6.0961(5)(a), Florida Administrative Code..

- From the population of PLSA Program scholarship payments totaling \$260,945 made during the period July 2014 through February 2015, examined documentation for 22 scholarship payments totaling approximately \$62,000 to determine whether the payments were eligible PLSA Program disbursements.
- Examined AAA records to determine whether PLSA Program moneys were used for administrative purposes.
- Determined whether AAA had established procedures to notify parents of PLSA Program scholarship awards and to provide a date for parents to confirm initial or continuing program participation pursuant to Section 1002.385(12)(b) and (c), Florida Statutes.
- Reviewed AAA's policies and procedures for the return of unused PLSA Program funds to the FDOE and determined whether any amounts were required to be returned pursuant to Section 1002.385(12)(g) and (13)(c), Florida Statutes.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

## ***AUTHORITY***

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Section 11.45(2)(k), Florida Statutes, requires the Auditor General to annually conduct an operational audit of the accounts and records of eligible nonprofit scholarship-funding organizations receiving eligible contributions under Section 1002.395, Florida Statutes, including any contracts for services with related entities. Similarly, Section 1002.385(14)(a), Florida Statutes, requires the Auditor General to annually conduct an operational audit of the accounts and records of each eligible scholarship funding organization that participates in the Florida Personal Learning Scholarship Accounts Program. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



Sherrill F. Norman, CPA  
Auditor General

## MANAGEMENT'S RESPONSE



December 6, 2015

Sherrill F. Norman, CPA  
Florida Auditor General  
Claude Pepper Building, Suite G74  
111 West Madison Street  
Tallahassee, FL 32399-1450

Dear Ms. Norman,

Please accept this letter in response to your November 17, 2015 preliminary and tentative audit finding and recommendation.

In that document, you list the following:

**Finding 1:** The Board could enhance policies and procedures for the mitigation, detection, and reporting of fraud.

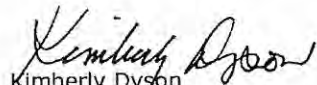
**Recommendation:** The Board should further enhance the anti-fraud policy to establish a process requiring any instances of known or suspected fraud related to the actions of AAA management be communicated and reported directly to the Board and AAA legal counsel.

In response to your Finding and Recommendation, AAA Scholarship Foundation has revised its anti-fraud policy to require any instances of known or suspected fraud related to the actions of AAA management be communicated and reported directly to its Board of Directors. A copy of the revised anti-fraud policy is enclosed for your files. It has been approved unanimously by the members of the Board of Directors.

We believe this letter and enclosed policy provide you with the requested explanations and corrective action, however, please do not hesitate to contact us if you have any questions or need additional information.

Sincerely,

AAA Scholarship Foundation, Inc.

  
Kimberly Dyson  
CEO & President

Offices: Alabama • Arizona • Florida • Georgia • Nevada • Pennsylvania  
Phone and Fax: 888-707-2465 • Website: [www.aaascholarships.org](http://www.aaascholarships.org)



## Policy on Fraud and Employee Protection (Whistleblower)

### Article 1 - General

AAA Scholarship Foundation, Inc. (the "Organization") requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Organization, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

### Article II - Reporting Responsibility

It is the responsibility of all directors, officers and employees to report misconduct, dishonesty and fraud or suspected violations of misconduct, dishonesty and fraud in accordance with this Policy.

### Article III - No Retaliation

No director, officer or employee who in good faith reports a violation or suspected violation shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Policy is intended to encourage and enable employees and others to raise serious concerns within the Organization prior to seeking resolution outside the Organization.

### Article IV – Examples of Misconduct, Dishonesty and Fraud

For purposes of this policy, misconduct, dishonesty and fraud include but are not limited to:

- Acts which violate the organization's Code of Conduct
- Theft or other misappropriation of assets, including assets of the Organization, our donors, constituents, suppliers or others with whom we have a business relationship
- Misstatements and other irregularities in Organization records, including the intentional misstatement of the results of operations
- Profiteering as a result of insider knowledge of Organization activities
- Disclosing confidential and proprietary information to outside parties
- Forgery or other alteration of documents
- Accepting or seeking anything of value from constituents, donors, contractors, vendors, or other persons providing services/materials to the Organization.
- Fraud and other unlawful acts
- Any similar acts or related irregularity

### Article V - Reporting Violations

The Organization has an open door policy and suggests that you share your questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, your supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to call our toll-free hotline at 1-877-767-7781 or email [AAAScholarships@getintouch.com](mailto:AAAScholarships@getintouch.com) with your concern.

In order to provide an appropriate process for communicating and reporting known or suspected fraud related to the actions of the Organization's management, all communications with the independent company administering the hotline will be directly reported to the Board of Directors.

### Article VI – Responsibility for Investigating Reported Violations

The Board of Directors is responsible for investigating and resolving all reported violations or suspected violations.

### Article VII - Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

**Article VIII - Confidentiality**

Violations or suspected violations may be submitted on a confidential and anonymous basis. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

**Article IX - Handling of Reported Violations**

All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation. You may call back the toll-free hotline at 1-877-767-7781 within three to four days after leaving your message or sending your email to hear a message from the Organization regarding the status of your case. You will be asked to enter the five-digit case number that was provided at the time of the report.

**ACKNOWLEDGEMENT OF RECEIPT AND UNDERSTANDING OF POLICY ON FRAUD AND  
EMPLOYEE PROTECTION (WHISTLEBLOWER)**

My signature below indicates my receipt and understanding of this policy. It also verifies that I have been provided with an opportunity to ask questions about the policy.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Employee Name