AAA Scholarship Foundation, Inc. and Subsidiaries

Consolidated Financial Statements,
Contract Compliance and
Independent Auditor's Report
June 30, 2026 and 2025

KERKERING BARBERIO
ACCOUNTING ▪ TAX ▪ CONSULTING

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KERKERING BARBERIO

Kerkering, Barberio & Co.
Certified Public Accountants

Independent Auditor's Report

The Board of Directors
AAA Scholarship Foundation, Inc. and Subsidiaries
Tampa, Florida

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of AAA Scholarship Foundation, Inc. and Subsidiaries (collectively "AAA"), a non-profit organization, which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of AAA as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AAA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AAA's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2026, on our consideration of AAA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of AAA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering AAA's internal control over financial reporting and compliance.

Kukuing Barbario & Co.

Sarasota, Florida
October 27, 2026

AAA Scholarship Foundation, Inc. and Subsidiaries

Consolidated Statements of Financial Position

June 30, 2026 and 2025

Assets	**2026**	**2025**
Current Assets:		
Cash & Cash Equivalents	$ 1,741,910	$ 1,887,488
Accounts Receivable (Net)	50,130,698	45,475,608
Other Current Assets	510,057	448,268
Investments, Short-Term	67,469,565	77,150,432
Total Current Assets	119,852,230	124,961,796
Non-Current Assets:		
Refundable Deposits	10,009	9,833
Investments, Long-Term	17,837,985	31,678,039
Right of Use Lease Asset	184,737	258,418
Fixed Assets (Net)	190,187	361,859
Total Non-Current Assets	18,222,918	32,308,149
Total Assets	$ 138,075,148	$ 157,269,945
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	$ 2,118,558	$ 6,952,205
Accrued Expenses	530,571	540,752
Deferred Revenues	1,153,894	1,011,150
Line of Credit	250,000	-
Right of Use Lease Liability, Current Portion	116,770	104,775
Scholarships Payable	59,011,403	62,186,360
Total Current Liabilities	63,181,196	70,795,242
Long-Term Liabilities:		
Right of Use Lease Liability	74,972	159,175
Scholarships Payable	15,021,300	15,189,300
Total Long-Term Liabilities	15,096,272	15,348,475
Total Liabilities	78,277,468	86,143,717
Net Assets:		
Without Donor Restrictions:		
Designated by Board for Scholarships	7,493,856	8,186,749
Undesignated	-	-
	7,493,856	8,186,749
With Donor Restrictions:		
Restricted for Scholarships	52,303,824	62,939,479
Total Net Assets	59,797,680	71,126,228
Total Liabilities and Net Assets	$ 138,075,148	$ 157,269,945

See accompanying notes to consolidated financial statements.

AAA Scholarship Foundation, Inc. and Subsidiaries

Consolidated Statement of Activities
For the Year Ended June 30, 2026
(With Summarized Comparative Totals for 2025)

	Without Donor Restrictions	With Donor Restrictions	2026 Total	2025 Total
Revenues:				
Contributions (Net of Allowance)	$ -	$ 90,446,528	$ 90,446,528	$ 96,280,594
Administrative Allowance	2,603,637	-	2,603,637	3,938,467
Other	14,292	-	14,292	16,604
Interest and Dividends	1,722,884	2,008,821	3,731,705	4,156,182
Net Assets Released from Restrictions	103,091,004	(103,091,004)	-	-
Total Revenues	107,431,817	(10,635,655)	96,796,162	104,391,847
Expenses:				
Program Services:				
Scholarships	106,813,094	-	106,813,094	113,560,103
Total Program Services	106,813,094	-	106,813,094	113,560,103
Supporting Services:				
Management & General	274,290	-	274,290	272,947
Fundraising	990,307	-	990,307	1,431,550
Total Supporting Services	1,264,597	-	1,264,597	1,704,497
Total Expenses	108,077,691	-	108,077,691	115,264,600
Investment Return (Net)	(47,019)	-	(47,019)	463,453
Decrease in Net Assets	(692,893)	(10,635,655)	(11,328,548)	(10,409,300)
Beginning Net Assets	8,186,749	62,939,479	71,126,228	81,535,528
Ending Net Assets	$ 7,493,856	$ 52,303,824	$ 59,797,680	$ 71,126,228

See accompanying notes to consolidated financial statements.

AAA Scholarship Foundation, Inc. and Subsidiaries

Consolidated Statement of Activities
For the Year Ended June 30, 2025
(With Summarized Comparative Totals for 2026)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2026 Total
Revenues:				
Contributions (Net of Allowance)	$ -	$ 96,280,594	$ 96,280,594	$ 90,446,528
Administrative Allowance	3,938,467	-	3,938,467	2,603,637
Other	16,604	-	16,604	14,292
Interest and Dividends	1,950,418	2,205,764	4,156,182	3,731,705
Net Assets Released from Restrictions	115,745,669	(115,745,669)	-	-
Total Revenues	121,651,158	(17,259,311)	104,391,847	96,796,162
Expenses:				
Program Services:				
Scholarships	113,560,103	-	113,560,103	106,813,094
Total Program Services	113,560,103	-	113,560,103	106,813,094
Supporting Services:				
Management & General	272,947	-	272,947	274,290
Fundraising	1,431,550	-	1,431,550	990,307
Total Supporting Services	1,704,497	-	1,704,497	1,264,597
Total Expenses	115,264,600	-	115,264,600	108,077,691
Investment Return (Net)	463,453	-	463,453	(47,019)
Increase/(Decrease) in Net Assets	6,850,011	(17,259,311)	(10,409,300)	(11,328,548)
Beginning Net Assets	1,336,738	80,198,790	81,535,528	71,126,228
Ending Net Assets	$ 8,186,749	$ 62,939,479	$ 71,126,228	$ 59,797,680

See accompanying notes to consolidated financial statements.

AAA Scholarship Foundation, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2026
(With Summarized Comparative Totals for 2025)

Description	Program Services Scholarships	Mgmt & General	Fundraising	2026 Total	2025 Total
Direct Program Costs	$ 104,477,514	$ -	$ -	$ 104,477,514	$ 111,372,657
Accounting Fees	-	4,850	-	4,850	5,016
Audit Fees	-	29,150	-	29,150	28,300
Advertising/Marketing	4,115	42	42	4,199	5,339
Bank Service Fees	27,870	65	65	28,000	40,431
Business Registration Fees	603	6	6,988	7,597	7,617
Contractor Expenses	244,668	-	928,831	1,173,499	1,694,511
Depreciation and Amortization	143,375	17,922	17,922	179,219	178,908
Dues, Fees & Subscriptions	7,852	239	3,503	11,594	10,495
Equipment Rental and Maintenance	496,511	3,361	3,361	503,233	235,284
Facility Expenses	118,799	25,956	-	144,755	138,826
Insurance Expense	72,447	1,744	1,744	75,935	77,490
Interest Expense	-	15,187	-	15,187	-
Legal Fees	44,653	-	7,875	52,528	30,294
License - Software	39,758	2,483	2,483	44,724	43,538
Office Equipment	7,422	668	668	8,758	3,406
Postage, Mailing Service	992	-	63	1,055	1,090
Printing & Reproduction	-	-	-	-	316
Professional Development	617	77	77	771	726
Supplies	2,103	162	162	2,427	3,086
Telephone, Telecommunications	8,325	701	701	9,727	13,002
Travel & Meetings	17,157	528	13,123	30,808	30,165
Wages and Benefits	1,051,848	168,450	-	1,220,298	1,293,058
Web/Internet Hosting	46,465	2,699	2,699	51,863	51,045
Total	$ 106,813,094	$ 274,290	$ 990,307	$ 108,077,691	$ 115,264,600

See accompanying notes to consolidated financial statements.

AAA Scholarship Foundation, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2025
(With Summarized Comparative Totals for 2026)

Description	Program Services Scholarships	Mgmt & General	Fundraising	2025 Total	2026 Total
Direct Program Costs	$ 111,372,657	$ -	$ -	$ 111,372,657	$ 104,477,514
Accounting Fees	-	5,016	-	5,016	4,850
Audit Fees	-	28,300	-	28,300	29,150
Advertising/Marketing	5,307	16	16	5,339	4,199
Bank Service Fees	40,321	55	55	40,431	28,000
Business Registration Fees	648	6	6,963	7,617	7,597
Contractor Expenses	321,240	-	1,373,271	1,694,511	1,173,499
Depreciation and Amortization	143,126	17,891	17,891	178,908	179,219
Dues, Fees & Subscriptions	5,461	233	4,801	10,495	11,594
Equipment Rental and Maintenance	229,096	3,094	3,094	235,284	503,233
Facility Expenses	113,792	25,034	-	138,826	144,755
Insurance Expense	73,665	1,926	1,899	77,490	75,935
Interest Expense	-	-	-	-	15,187
Legal Fees	17,543	3,604	9,147	30,294	52,528
License - Software	40,288	1,625	1,625	43,538	44,724
Office Equipment	3,012	33	361	3,406	8,758
Postage, Mailing Service	945	37	108	1,090	1,055
Printing & Reproduction	316	-	-	316	-
Professional Development	521	65	140	726	771
Supplies	2,558	264	264	3,086	2,427
Telephone, Telecommunications	10,988	1,007	1,007	13,002	9,727
Travel & Meetings	21,597	284	8,284	30,165	30,808
Wages and Benefits	1,111,162	181,896	-	1,293,058	1,220,298
Web/Internet Hosting	45,860	2,561	2,624	51,045	51,863
Total	$ 113,560,103	$ 272,947	$ 1,431,550	$ 115,264,600	$ 108,077,691

See accompanying notes to consolidated financial statements.

AAA Scholarship Foundation, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended June 30, 2026 and 2025

	2026	2025
Cash Flows from Operating Activities:		
Change in Net Assets	$ (11,328,548)	$ (10,409,300)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by (Used In) Operating Activities:		
Depreciation and Amortization	179,219	178,908
Amortization of Investment Discounts	(952,986)	(845,232)
Net Unrealized (Gain) Loss from Investing	195,927	(517,321)
Net Change in Right of Use Asset Amortization	1,473	(1,205)
Change in Operating Assets:		
Accounts Receivable (Net)	(4,655,090)	28,777,326
Other Current Assets	(61,789)	137,048
Refundable Deposits	(176)	(61)
Change in Operating Liabilities:		
Accounts Payable	(4,833,647)	6,866,128
Accrued Expenses	(10,181)	296,484
Deferred Revenues	142,744	(1,073,912)
Scholarships Payable	(3,342,957)	(14,698,499)
Net Cash Provided by (Used in) Operating Activities	(24,666,011)	8,710,364
Cash Flows from Investing Activities:		
(Purchase) of Fixed Assets	(7,547)	(359,896)
(Purchase) of Investments	(5,520,330)	(39,173,056)
Maturity of Investments	29,798,310	26,049,709
Net Cash Provided by (Used in) Investing Activities	24,270,433	(13,483,243)
Cash Flows from Financing Activities:		
Proceeds from Borrowings	310,000	-
Repayment of Debt	(60,000)	-
Net Cash Provided by Financing Activities	250,000	-
Change in Cash & Cash Equivalents	(145,578)	(4,772,879)
Cash & Cash Equivalents - Beginning of Year	1,887,488	6,660,367
Cash & Cash Equivalents - End of Year	$ 1,741,910	$ 1,887,488
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 15,187	$ -

See accompanying notes to consolidated financial statements.

1. Description of Organization

AAA Scholarship Foundation, Inc. ("AAA") is a Georgia not-for-profit organization which incorporated March 26, 2010. AAA's charitable mission is: 1) promoting relief to the poor and underprivileged and 2) promoting the advancement of education.

AAA works to ensure families can afford to access the customized K-12 learning options they need to effectively educate their children. AAA believes that educational choice programs spur improvements by equipping parents with the resources to seek the best education for their children. AAA's primary focus is in providing educational scholarships (up to grade 12) to children from low-income and working-class families and to children with disabilities.

AAA Scholarship Foundation - FL, LLC ("AAA-FL") is a wholly owned subsidiary of AAA that commenced operation in December 2013. AAA Scholarship Foundation - NV, Inc. ("AAA-NV") is a wholly owned subsidiary that commenced operation in September 2023 as AAA Scholarship Foundation - NV, LLC then converted to a Nevada Corporation in May 2025.

AAA is an approved Scholarship Organization ("SO") in Georgia, Arizona, and Nevada. AAA-FL is an approved SO in Florida. AAA-NV is an approved SO in Nevada. As an SO, AAA, AAA-FL and AAA-NV (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 five state tax credit programs administered by AAA during the twelve months ended June 30, 2026:

	Arizona Income-Based	Georgia Income-Based	Arizona Disabled-Displaced
Cap for Current Year	$135,000,000	$120,000,000	$6,000,000
Year for Cap Purposes	July 1 - June 30	January 1 - December 31	July 1 - June 30
Taxes Available for Redirection	Corporate income tax & insurance premium tax	Corporate and individual income tax	Corporate income tax & insurance premium 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 $2,500 per tax year. Individuals filing jointly can redirect up to $5,000 per tax year	100% for both taxes
Value of Tax Credit	Dollar-for-dollar	Dollar-for-dollar	Dollar-for-dollar
State Mandated Maximum Annual Scholarship Value	$6,500 for K-8th grade $8,300 for 9th -12th grade	$13,959	90% of the amount of state aid that would otherwise have been computed for the student in Title 15, Chapter 9, Article 15
Scholarship Term	2 - 3 years	1 year	3 years
Administrative Allowance	10 percent	8% for first $1.5 million; 6% for $1.5 million – 10 million; 5% for $10 million – 20 million; 4% over $20 million	10 percent

1. Description of Organization (Continued)

	Nevada Income-Based	Florida Income-Based
Cap for Current Year	$6,655,000	$1,091,957,093
Year for Cap Purposes	July 1 - June 30	Income Tax: January 1 – Corp FYE Insurance Premium Tax: January 1 – December 31 Alcoholic beverage excise tax, direct pay sales and use tax, oil and/or gas production tax and commercial lease sales tax: July 1 – June 30
Taxes Available for Redirection	Modified Business tax	Income tax, insurance premium tax, alcoholic beverage excise tax, direct pay sales and use tax, oil and/or gas production tax and commercial lease sales tax
Percentage of Tax Available for Redirection	100%	100% for income tax, insurance premium, direct pay sales and use tax and commercial lease sales tax 90% for alcoholic beverage excise tax 50% for oil and /or gas production tax
Value of Tax Credit	Dollar-for-dollar	Dollar-for-dollar
State Mandated Maximum Annual Scholarship Value	$10,094	100% of the FEFP value + all categorical except ESE For students who remained active in the program since 2018-19 school year, they will be awarded the greater of the value above or: $6,519 for Kindergarten – 5th grade $6,815 for 6th – 8th grade $7,112 for 9th – 12th grade
Scholarship Term	1 year	1 year
Administrative Allowance	5 percent	Zero percent for first 3 years then 3 percent

AAA is also an approved administrator of Florida's two Education Savings Accounts: 1) Family Empowerment Scholarship for Educational Options ("FES-EO") formerly known as the Family Empowerment Scholarship, and 2) Family Empowerment Scholarship for Students with Unique Abilities ("FES-UA").

FES-EO was established in 2019 to provide an educational lifeline to students waiting for an opportunity to find the school that will best work for them and puts more parents in the driver's seat to determine the best educational environments for their children. FES-EO was administered by the Florida Department of Education prior to the 2022-2023 school year. FES-EO is funded through the Florida Education Finance Program.

FES-UA was established in 2014 to provide parents the option to better meet the individual needs of their disabled children. Parents of eligible Florida children may use the accounts to purchase approved education related goods or services. Beginning in the 2022-2023 school year, FES-UA is funded through the Florida Education Finance Program. Prior to July 1, 2022, it was funded by a grant from the FL DOE.

2. Summary of Significant Accounting Policies

Accounts Receivable

Accounts receivable consists primarily of promises to give (pledges) and are recorded as receivable and revenue at fair value when received. Management evaluates the collectability of its unconditional promises to give and records an allowance for estimated uncollectable amounts, if necessary.

Advertising Costs

Advertising costs are expensed as incurred. The amount charged for advertising expense for the twelve months ended June 30, 2026 and 2025 was $4,199 and $5,339, respectively.

2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation

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

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - 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 is met or expires, net assets with donor restrictions are reclassified to net assets without restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

AAA considers currency held in demand deposits with financial institutions to be cash and cash equivalents. AAA maintains its cash accounts at a commercial institution. Deposits on account at commercial banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per account. At June 30, 2026 and 2025, cash on deposit at a commercial bank exceeded the $250,000 FDIC limit by $1,529,880 and $2,717,790, respectively.

Change in Accounting Principles

The Financial Accounting Standards Board (FASB) has issued certain new or modifications to, or interpretations of, existing accounting guidance. AAA has considered the new pronouncements and does not believe that any other new or modified guidance will have a material impact on its reported financial position or activities in the near term.

Contributions

Contributions received are recorded as net assets with or without donor restrictions depending on the existence and/or nature of any donor imposed stipulations.

Contributions of donated noncash assets are recorded at fair value 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 $0 and $0 of donated services during the twelve months ended June 30, 2026 and 2025, respectively.

Estimates

The presentation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

2. Summary of Significant Accounting Policies (Continued)

Fair Value

The FASB's Accounting Standards Codification (ASC) 820 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 ASC 820, 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 would be developed based on the best information available in the circumstances and may include AAA's own data).

Functional Allocation of Expenses

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

Funds Held for Others

Funds administered for students participating in the Family Empowerment Scholarship Programs are recorded to scholarships payable and cash or other financial assets in order to reflect the agency-type nature of the program under ASC 958. As parents/guardians use the funds in accordance with State of Florida guidelines, the corresponding asset and liability accounts are reduced accordingly.

Income Taxes

AAA is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, AAA would be subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. AAA has determined that it has no business activities that are unrelated to its exempt purposes and therefore is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. The tax years from 2021 through 2026 remain subject to examination by the IRS.

2. Summary of Significant Accounting Policies (Continued)

Investments

AAA invests cash in excess of its immediate needs in Prime and Treasury money market funds, fixed income mutual funds, U.S. government securities, corporate bonds, municipal bonds, asset backed securities and sweep bank deposits. Investments are reported at fair value, with the related gains and losses recorded in the consolidated statement of activities, unless they are classified as held to maturity and reported at amortized cost.

Principles of Consolidation

The consolidated financial statements include the accounts of AAA Scholarship Foundation, Inc. and its wholly owned subsidiaries, AAA-FL and AAA-NV. All significant intercompany transactions have been eliminated in consolidation.

Property and Equipment

AAA records property and equipment additions over $2,500 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the consolidated statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

AAA reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the twelve months ended June 30, 2026 and 2025.

3. Liquidity and Financial Asset Availability

AAA regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. AAA has various sources of liquidity at its disposal, including cash and cash equivalents, short-term investments, and a bank line of credit of $500,000 to help manage unanticipated liquidity needs.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, AAA considers all expenditures related to its ongoing program activities, as well as the services undertaken to fund and support those activities, to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, AAA operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

When practicable, AAA invests cash in excess of daily requirements in short-term investments. Effective July 1, 2016, AAA's governing board designated unrestricted interest and investment income earned on tax credit contributions to be used for any reasonable and appropriate purpose as determined by the President and approved by the board. Prior to that date, unrestricted earnings on tax credit contributions were designated for funding additional scholarships only. Although AAA does not intend to spend these board-designated funds on any general expenditures other than scholarships; if needed, these funds would become available with board approval.

3. Liquidity and Financial Asset Availability (Continued)

As of June 30, the following table shows the total financial assets held by AAA that could readily be made available within one year of the consolidated statement of financial position date to meet general expenditures:

Financial assets available to meet general expenditures over the next twelve months:

	2026	2025
Cash & Cash Equivalents	$ 1,741,910	$ 1,887,488
Accounts Receivable (Net)	50,130,698	45,475,608
Other Current Assets	436,005	340,956
Investments, Short-Term	67,469,565	77,150,432
Total	$ 119,778,178	$ 124,854,484

4. Cash on Deposit for Scholarships

At June 30, cash on deposit for scholarships was as follows:

	2026	2025
Georgia Private School Tax Credit Scholarship Program	$ 63,714	$ 527,356
Arizona Low-Income Corporate Tax Credit Scholarship Program	547,770	227,648
Florida Tax Credit Scholarship Program	577,679	460,889
Family Empowerment Scholarship for Students with Unique Abilities	288,503	219,020
Family Empowerment Scholarship for Educational Options	-	41
Nevada Educational Choice Scholarship Program	62,396	399,776
Total	$ 1,540,062	$ 1,834,730

5. Accounts Receivable

Accounts receivable at June 30 consists of the following:

	2026	2025
Promises to Give (Pledges)	$ 50,114,125	$ 45,405,000
School Refunds Receivable (Net)	16,573	70,608
Accounts Receivable (Net)	$ 50,130,698	$ 45,475,608

At June 30, all school refunds receivable and promises to give ("pledges") are expected to be collected during the next year. Based on historical experience and other circumstances, it is Management's estimate that these receivables will be fully collected. Therefore, no allowance is deemed necessary at June 30, 2026 and 2025.

6. Investments

AAA determines the appropriate classification of its investments in debt and equity securities at the time of purchase and reevaluates such determinations at each consolidated statement of financial position date.

Trading Securities

Trading securities are bought and held principally for the purpose of selling them in the near term. Trading securities are stated at fair value on the consolidated statement of financial position, with unrealized gains and losses reported as investment returns.

6. Investments (Continued)

Trading Securities (Continued)

The following table presents AAA's marketable debt securities that were classified as trading securities and their fair value hierarchy as of June 30, 2026:

Description	Fair Market Value	Level 1	Level 2	Level 3
Sweep Bank Deposits	$ 19,340,353	$ 19,340,353	$ -	$ -
Asset Backed Securities	129,839	129,839	-	-
Corporate Bonds	7,495,671	7,495,671	-	-
Municipal Bonds	1,074,937	1,074,937	-	-
U.S. Government Securities	3,996,895	3,996,895	-	-
Fixed Income Mutual Funds	4,080,590	4,080,590	-	-
U.S. Treasury Money Market Fund	3,452,294	3,452,294	-	-
Total Investments - Trading	$ 39,570,579	$ 39,570,579	$ -	$ -

The following table presents AAA's marketable debt securities that were classified as trading securities and their fair value hierarchy as of June 30, 2025:

Description	Fair Market Value	Level 1	Level 2	Level 3
Sweep Bank Deposits	$ 41,149,079	$ 41,149,079	$ -	$ -
Asset Backed Securities	130,321	130,321	-	-
Corporate Bonds	6,708,028	6,708,028	-	-
Municipal Bonds	1,363,158	1,363,158	-	-
U.S. Government Securities	4,373,493	4,373,493	-	-
Fixed Income Mutual Funds	4,088,513	4,088,513	-	-
U.S. Treasury Money Market Fund	3,456,047	3,456,047	-	-
Total Investments - Trading	$ 61,268,639	$ 61,268,639	$ -	$ -

Held to Maturity Securities

Securities are classified as held-to-maturity when the holder 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 consolidated statement of financial position, based on contractual maturity date and are stated at amortized cost. At June 30, AAA held investments in marketable securities that were classified as held to maturity and consisted of the following:

	2026 Amortized/Net Carrying Cost	2025 Amortized/Net Carrying Cost
Short-Term		
U.S. Government Securities	$ 27,898,986	$ 15,881,793
Long-Term		
U.S. Government Securities	17,837,985	31,678,039
Total Held to Maturity Securities	$ 45,736,971	$ 47,559,832
Maturities		
Due in one year or less	$ 27,898,986	$ 15,881,793
Due after one year through five years	$ 17,837,985	$ 31,678,039

6. Investments (Continued)
Held to Maturity Securities (Continued)
AAA recognized no other-than-temporary impairment in the consolidated statement of activities for the 12 months ended June 30, 2026 and 2025.

7. Fixed Assets
At June 30, fixed assets consisted of the following:

	2026	2025
Computers	$ 37,255	$ 37,255
Computer Software	705,458	705,458
Furniture and Equipment	28,628	21,081
Intangible Asset	31,914	31,914
Leasehold Improvements	4,900	4,900
	808,155	800,608
Less: accumulated depreciation and amortization	(617,968)	(438,749)
Net property and equipment	$ 190,187	$ 361,859

Depreciation and amortization expense was $179,219 and $178,908 for the twelve months ended June 30, 2026 and 2025, respectively.

8. Debt
AAA has established an open-ended $500,000 line of credit with a commercial bank. Interest on draws is charged at a variable rate and therefore is subject to increases or decreases without prior notice. The rate is equal to the Prime Rate per annum. As of June 30, 2026, AAA had an outstanding balance of $250,000. As of June 30, 2025, AAA had no outstanding balance.

Interest expense was $15,187 and $0 for the twelve months ended June 30, 2026 and 2025, respectively.

9. Leases
AAA leases certain office spaces and equipment under operating leases which expire at various dates through March 2028. Balances related to operating leases are included in ROU assets and lease liabilities in the consolidated statement of financial position.

The following table provides the components of lease cost recognized in the consolidated statement of activities and changes in net assets for the year ended June 30, 2026 and June 30, 2025, respectively:

Lease Expense:	June 30, 2026	June 30, 2025
Operating lease expense	$ 119,499	$ 114,117
Variable lease expense	3,434	7,488
Total	$ 122,933	$ 121,605

Other Information	June 30, 2026	June 30, 2025
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 118,025	$ 115,323
ROU assets obtained in exchange for new operating lease liabilities	34,900	185,679
Weighted-average remaining lease term in years for operating leases	1.63	2.53
Weighted-average discount rate for operating leases	4.84%	4.85%

9. Leases (Continued)

Maturity Analysis **Years Ended June 30:**	**Finance Lease**	**Operating Lease**
2027	$ -	$ 123,013
2028	-	76,033
Total undiscounted cash flows	-	199,046
Less: present value discount	-	(7,304)
Total lease liabilities	$ -	$ 191,742

Rent expense for the twelve months ended June 30, 2026 and 2025, was $122,605 and $125,742, respectively.

10. Scholarships Awarded and Payable

AAA scholarships are awarded to qualified students for multi-year periods in Arizona and for a one-year period in Georgia, Florida and Nevada. To qualify for a scholarship, a student and the parents or guardian of that student must meet certain state and AAA requirements and agree to comply with certain other responsibilities.

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 twelve months ending June 30, 2026, AAA recorded the following net scholarship awards/ (forfeits):

Georgia Private School Tax Credit Scholarship Program	$ 2,520,618
Arizona Low-Income Corporate Tax Credit Scholarship Program	26,014,530
Florida Tax Credit Scholarship Program	8,411,550
Nevada Educational Choice Scholarship	6,380,817
Total	$ 43,327,515

During the twelve months ended June 30, 2025, AAA recorded the following net scholarship awards/ (forfeits):

Georgia Private School Tax Credit Scholarship Program	$ 1,442,642
Arizona Low-Income Corporate Tax Credit Scholarship Program	8,502,252
Florida Tax Credit Scholarship Program	10,466,432
Nevada Educational Choice Scholarship	5,961,342
Total	$ 26,372,668

10. Scholarships Awarded and Payable (Continued)

The following schedule illustrates the net scholarships awarded but unpaid as of June 30, 2026:

	Payable in 2026-27	Payable in 2027-28	Payable in 2028-29	Total
Georgia Private School Tax Credit Scholarship Program	$ 2,457,000	$ -	$ -	$ 2,457,000
Arizona Low-Income Corporate Tax Credit Scholarship Program	21,088,000	15,021,300	-	36,109,300
Florida Tax Credit Scholarship Program	22,672,500	-	-	22,672,500
Family Empowerment Scholarship for Students with Unique Abilities	7,809,103	-	-	7,809,103
Family Empowerment Scholarship for Educational Options	-	-	-	-
Nevada Educational Choice Scholarship	4,984,800	-	-	4,984,800
Total:	$ 59,011,403	$ 15,021,300	$ -	$ 74,032,703

The following schedule illustrates the net scholarships awarded but unpaid as of June 30, 2025:

	Payable in 2025-26	Payable in 2026-27	Payable in 2027-28	Total
Georgia Private School Tax Credit Scholarship Program	$ 2,180,250	$ -	$ -	$ 2,180,250
Arizona Low-Income Corporate Tax Credit Scholarship Program	18,086,300	11,051,700	4,137,600	33,275,600
Florida Tax Credit Scholarship Program	25,833,301	-	-	25,833,301
Family Empowerment Scholarship for Students with Unique Abilities	10,870,068	-	-	10,870,068
Family Empowerment Scholarship for Educational Options	41	-	-	41
Nevada Educational Choice Scholarship	5,216,400	-	-	5,216,400
Total:	$ 62,186,360	$ 11,051,700	$ 4,137,600	$ 77,375,660

10. Scholarships Awarded and Payable (Continued)

Tax Credit Scholarships and Family Empowerment Scholarship for Educational Options disbursements are generally disbursed in four installments each school year after receipt of completed verification reports from the schools. The verification reports limit the risk that a scholarship check might be issued for a student who has withdrawn from an eligible private school or the student's parent or guardian has not complied with their responsibilities under the programs.

Family Empowerment Scholarship for Students with Unique Abilities program disbursements are made pursuant to a request from a student's parent or guardian for an authorized education-related good or service. The disbursements are made electronically and may be made to a private school, a vendor or as a reimbursement to a parent or guardian.

11. Tax Credit Contributions

As an SO in Arizona, Florida, Georgia, and Nevada, AAA is eligible to receive tax credit contributions from taxpayers that owe certain taxes to the state. In return for their contribution to an eligible SO, the state grants a tax credit to the taxpayer.

During the twelve months ended June 30, 2026, AAA recorded the following re-directed taxes as contributions:

Georgia Private School Tax Credit Scholarship Program	$	2,081,945
Arizona Low-Income Corporate Tax Credit Scholarship Program		16,021,000
Florida Tax Credit Scholarship Program		70,579,381
Nevada Educational Choice Scholarship Program		4,367,839

Of the re-directed taxes recorded as contributions, the following pledges were outstanding and deemed as collectible as of June 30, 2026:

Georgia Private School Tax Credit Scholarship Program	$	-
Arizona Low-Income Corporate Tax Credit Scholarship Program		11,651,000
Florida Tax Credit Scholarship Program		38,463,125
Nevada Educational Choice Scholarship Program		-

During the twelve months ended June 30, 2025, AAA recorded the following re-directed taxes as contributions:

Georgia Private School Tax Credit Scholarship Program	$	2,479,521
Arizona Low-Income Corporate Tax Credit Scholarship Program		26,010,000
Florida Tax Credit Scholarship Program		66,863,560
Nevada Educational Choice Scholarship Program		4,865,981

Of the re-directed taxes recorded as contributions, the following pledges were outstanding and deemed as collectible as of June 30, 2025:

Georgia Private School Tax Credit Scholarship Program	$	-
Arizona Low-Income Corporate Tax Credit Scholarship Program		11,700,000
Florida Tax Credit Scholarship Program		33,705,000
Nevada Educational Choice Scholarship Program		-

11. Tax Credit Contributions (Continued)

Each state allows an SO to claim a percentage of its re-directed taxes for reasonable and necessary expenses to administer the program. During the twelve months ended June 30, 2026, AAA claimed the following administrative allowances against re-directed taxes:

Georgia Private School Tax Credit Scholarship Program	$	154,917
Arizona Low-Income Corporate Tax Credit Scholarship Program		1,602,100
Florida Tax Credit Scholarship Program		425,003
Family Empowerment Scholarship for Students with Unique Abilities		203,225
Nevada Educational Choice Scholarship Program		218,392
Family Empowerment Scholarship for Educational Options		-

During the twelve months ended June 30, 2025, AAA claimed the following administrative allowances against re-directed taxes:

Georgia Private School Tax Credit Scholarship Program	$	178,771
Arizona Low-Income Corporate Tax Credit Scholarship Program		2,601,000
Florida Tax Credit Scholarship Program		501,128
Family Empowerment Scholarship for Students with Unique Abilities		414,269
Nevada Educational Choice Scholarship Program		243,299
Family Empowerment Scholarship for Educational Options		-

During the twelve months ended June 30, 2026, AAA recorded the following net interest, dividends, and realized or unrealized gains or losses on collected contributions:

Georgia Private School Tax Credit Scholarship Program	$	51,646
Arizona Low-Income Corporate Tax Credit Scholarship Program		1,144,255
Arizona Disabled-Displaced Tax Credit Scholarship Program		-
Florida Tax Credit Scholarship Program		1,937,221
Nevada Educational Choice Scholarship Program		551,564

During the twelve months ended June 30, 2025, AAA recorded the following net interest, dividends, and realized or unrealized gains or losses on collected contributions:

Georgia Private School Tax Credit Scholarship Program	$	69,822
Arizona Low-Income Corporate Tax Credit Scholarship Program		1,536,357
Arizona Disabled-Displaced Tax Credit Scholarship Program		-
Florida Tax Credit Scholarship Program		2,369,436
Nevada Educational Choice Scholarship Program		644,020

12. Grants Paid

The Florida Tax Credit Scholarship Program requires that net eligible contributions remaining on September 30th of each year that are in excess of 25 percent of net eligible contributions held on the prior June 30th to be transferred to other eligible nonprofit SFOs to provide scholarships for eligible students.

12. Grants Paid (Continued)

AAA paid the following grants to eligible nonprofit SFOs during the 12 months ended June 30, 2026 and 2025, respectively:

	June 30, 2026	June 30, 2025
Grants Paid to an SFO	$ 61,150,000	$ 85,000,000

13. Agency Transactions

AAA is acting as an agent for Florida's Family Empowerment Scholarship for Students with Unique Abilities or FES-UA and Family Empowerment Scholarship for Educational Options or FES-EO programs (collectively, the "Family Empowerment Scholarship programs").

The Family Empowerment Scholarship programs are funded through the Florida Education Finance Program. AAA requests funding from the FL DOE once a student is determined eligible for either of the programs. If the student withdraws from the program or is subsequently determined ineligible, the funds are returned to the FL DOE.

AAA recorded the following transactions related to funding of the Family Empowerment Scholarship programs during the 12 months ended June 30, 2026:

	Funding Received	Funding Returned	Net Funded
Family Empowerment Scholarship for Students with Unique Abilities	$ 6,981,117	$ (2,298,623)	$ 4,682,494
Family Empowerment Scholarship for Educational Options	$ -	$ -	$ -

AAA recorded the following transactions related to funding of the Family Empowerment Scholarship programs during the 12 months ended June 30, 2025:

	Funding Received	Funding Returned	Net Funded
Family Empowerment Scholarship for Students with Unique Abilities	$ 13,696,992	$ (8,248,606)	$ 5,448,386
Family Empowerment Scholarship for Educational Options	$ -	$ -	$ -

Interest collected on Family Empowerment Scholarship for Students with Unique Abilities (formerly the Florida Gardiner Scholarship) program funds must be allocated to each active student's account. If the student withdraws from the program or is subsequently determined ineligible, any unused interest is transferred to the FL DOE. If the student transfers to another SFO, any unused interest is transferred along with the student's scholarship funds.

During the twelve months ended June 30, AAA recorded the following transactions related to interest earned on the Family Empowerment Scholarship program accounts:

	2026	2025
Earned Interest Allocated	$ 380,795	$ 681,348
Earned Interest Transferred to the FL DOE, Net	(170,873)	(384,086)
Net Interest Allocated / (Transferred)	$ 209,922	$ 297,262

13. Agency Transactions (Continued)

The Family Empowerment Scholarship for Students with Unique Abilities (formerly the Florida Gardiner Scholarship) program allows students to transfer their scholarship accounts between eligible SFOs during the year.

During the twelve months ended June 30, 2026, the following transfers occurred:

	Scholarship Balance	Interest
Funds Transferred from an SFO	$ 10,100	$ 677
Funds Transferred to an SFO	(804,057)	(60,645)
Net Funds Transferred	$ (793,957)	$ (59,968)

During the twelve months ended June 30, 2025, the following transfers occurred:

	Scholarship Balance	Interest
Funds Transferred from an SFO	$ -	$ -
Funds Transferred to an SFO	(124,771)	(4,764)
Net Funds Transferred	$ (124,771)	$ (4,764)

14. Net Assets With Donor Restrictions

As of June 30, net assets with donor restrictions are restricted for the following purposes:

	2026	2025
Georgia Private School Tax Credit Scholarship Program	$ 554,949	$ 1,096,893
Arizona Low-Income Corporate Tax Credit Scholarship Program	-	10,309,989
Florida Tax Credit Scholarship Program	44,843,567	42,412,998
Nevada Educational Choice Scholarship Program	6,905,308	9,119,599
Total	$ 52,303,824	$ 62,939,479

During the twelve months ended June 30, net assets were released from donor restrictions by incurring expenses satisfying the conditions specified by donors as follows:

	2026	2025
Georgia Private School Tax Credit Scholarship Program	$ 2,520,618	$ 1,442,642
Arizona Low-Income Corporate Tax Credit Scholarship Program	24,728,889	13,099,011
Florida Tax Credit Scholarship Program	69,477,760	95,273,353
Nevada Educational Choice Scholarship Program	6,363,737	5,930,663
Total	$ 103,091,004	$ 115,745,669

15. Major Donor

Contributions from 13 major donors accounted for approximately 67 percent of contributions received for the twelve months ending June 30, 2026. Contributions from 14 major donors accounted for approximately 73 percent of contributions received for the twelve months ending June 30, 2025.

16. 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 that program. For the twelve months ending June 30, 2026 and 2025, AAA believes it is in compliance with all material operating and reporting requirements for each applicable state. AAA has complied with all requirements of Chapter 2A of Title 20 of the Official Code of Georgia Annotated, relating to student scholarship organizations, including, but not limited to, scholarship fund management requirements, operational fund management requirements, other financial requirements, student eligibility requirements, school qualification requirements, and other scholarship management requirements.

17. Retirement Plan

AAA participates in a SIMPLE IRA Retirement Plan. This Plan is available for the benefit of all permanent, full-time employees over the age of twenty-one who have completed at least 30 days of service.

In accordance with the Internal Revenue Code and Plan agreement, AAA makes dollar-for-dollar matching contributions of up to 3% of each participating employee's compensation. AAA's contributions, which are included in wages and benefits in the consolidated statements of functional expenses, were $22,050 and $23,457 for the twelve months ended June 30, 2026 and 2025, respectively.

18. Functionalized Expenses

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent, utilities, facility security and facility repairs and maintenance which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, interest, insurance, and others, which are allocated on a weighted average of projected student counts.

19. Subsequent Events

AAA has evaluated events and transactions for potential recognition or disclosure through October 27, 2026, which is the date the consolidated financial statements were available to be issued. Other than the matter described below, no subsequent events requiring recognition or disclosure were noted.

In July 2026, AAA-FL entered into an agreement with the FL DOE and another eligible nonprofit scholarship-funding organization under which AAA-FL agreed to accept Personalized Education Program ("PEP") students in the Florida Tax Credit Scholarship Program who had been awarded scholarships by that organization for the 2026-2027 school year. In August 2026, AAA-FL received a list of 2,690 transfer students from that organization, four of whom were already participating in AAA-FL's program. As of September 30, 2026, 2,379 of the transfer students had accepted their scholarship awards, which are funded in quarterly installments. Because the transfer occurred after June 30, 2026, the accompanying consolidated financial statements do not include any amounts related to these students.

Contract Compliance

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

The Board of Directors
AAA Scholarship Foundation, Inc. and Subsidiaries
Tampa, Florida

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*, the consolidated financial statements of AAA Scholarship Foundation, Inc. and Subsidiaries (collectively "AAA"), which comprise the consolidated statement of financial position as of June 30, 2026, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 27, 2026.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the consolidated financial statements, we considered AAA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of AAA's internal control. Accordingly, we do not express an opinion on the effectiveness of AAA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether AAA's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Kukuing Barbario & Co.

Sarasota, Florida
October 27, 2026