



**UNAUDITED
FINANCIAL
STATEMENT**

SEPTEMBER 2015

SMART CORPORATION

EXECUTIVE SUMMARY

FOR THE MONTH ENDING SEPTEMBER 30, 2015

(in thousands)

INCOME STATEMENT

	Year to Date			Annual	
	Actual	Budget	Variance	Forecast	Budget
INCOME					
Investment Income	\$ 598	\$ -	\$ 598	\$ 598	\$ -
Unrealized Gains (Losses)	(1,397)	-	(1,397)	(1,397)	-
Realized Gains (Losses)	(30)	-	(30)	(30)	-
Charitable Contributions	-	-	-	-	-
TOTAL INCOME	(829)	-	(829)	(829)	-
EXPENSE					
Consulting & Professional Fees	10	41	31	10	54
Professional Fee - Logan	64	99	35	89	133
Professional Fee-Asset Strategy	61	62	1	81	82
Professional Fee - BNY	19	16	(3)	24	22
Professional Fee - USBC	267	300	33	391	400
Other	85	19	(66)	89	23
ADMINISTRATIVE EXPENSE	506	537	31	684	714
Earnings Allocation to Providers	400	-	(400)	400	-
Depreciation	103	103	-	138	138
TOTAL EXPENSE	1,009	640	(369)	1,222	852
NET INCOME	\$ (1,838)	\$ (640)	\$ (1,198)	\$ (2,051)	\$ (852)

SCHOLARSHIP LIABILITY/INVESTMENT ACTIVITY

	Balance 9/1/15	Deposits	Disbursements	Balance 9/30/15
SCHOLARSHIP LIABILITY	\$ 53,418	\$ 737	\$ (314)	\$ 53,841

	Balance 9/1/15	Net Deposits	Disbursements Gains(Losses)	Balance 9/30/15	% of Portfolio
CASH & INVESTMENTS					
CASH (1)	\$ 2,711	741	(797)	\$ 2,655	
INVESTMENTS	53,333	(133)	220	\$ 53,420	
* Approximately 15% Equities and 85% Fixed Income					
TOTAL CASH/INVESTMENTS	\$ 56,044	\$ 608	\$ (577)	\$ 56,075	

RETURN ON INVESTMENTS	BYN Mellon	Wilmington	Total / YTD Mths	Avg Balance 9/30/15
Average Investment Base Year to Date	37,988	15,335	53,323	\$ 53,323
Investment Income to Date				\$ (829)
Average Return on Investment				-1.55%
Earnings Net of Expenses				\$ (1,838)
Avg Return on Investment net of Investment expenses				-2.34%
Average Return on Investment net of Investment expenses excluding unrealized gains/losses				0.28%

Smart Corporation
Statement of Changes in Net Assets by Account
For the Nine Months Ending September 30, 2015

	September			YEAR TO DATE			ANNUAL			PRIOR YEAR	PRIOR MONTH
	ACTUAL	FORECAST	VARIANCE	ACTUAL	BUDGET	VARIANCE	BUDGET	FORECAST	VARIANCE	ACTUAL	FORECAST
Income											
4610 Charitable Contributions Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$294,024	\$0
Total Income	0	0	0	0	0	0	0	0	0	294,024	0
Expenses											
6800 Legal Fees	200	0	200	2,813	1,500	1,313	1,500	2,813	1,313	451	1,500
6810 Audit Fees	2,600	0	2,600	12,600	5,500	7,100	6,500	12,600	6,100	6,500	6,500
6820 Consulting and Professional Fee	0	0	0	10,208	40,698	(30,490)	54,264	10,208	(44,056)	329,935	0
6820 Professional Fee-Logan	5,399	8,113	(2,714)	63,833	99,540	(35,707)	132,720	89,027	(43,693)	0	145,089
6820 Professional Fee-Asset Strategy	6,707	7,038	(331)	60,552	61,896	(1,344)	82,528	81,666	(862)	0	141,389
6820 Professional Fee-BNY	7,632	1,805	5,828	18,599	16,241	2,358	21,651	24,009	2,358	0	25,260
6820 Professional Fee-USBC	37,204	35,770	1,434	267,280	300,000	(32,720)	400,000	391,463	(8,537)	0	409,255
6900 Bank and Credit Card Fees	182	150	32	1,332	1,350	(18)	1,800	1,828	28	1,761	1,800
6950 Printing Costs	0	100	(100)	1,204	900	304	1,200	1,804	604	1,251	1,200
6970 Postage and Freight	(99)	75	(174)	(50)	675	(725)	900	400	(500)	885	900
7000 Travel Expenses	0	1,500	(1,500)	2,677	3,000	(323)	3,000	2,677	(323)	2,495	3,000
7300 Insurance Expense	690	677	13	6,122	6,094	28	8,125	8,181	56	9,709	8,125
7620 Miscellaneous Expense	0	0	0	58,542	0	58,542	0	58,542	58,542	0	0
Total Expenses	60,515	55,228	5,287	505,712	537,394	(31,682)	714,188	685,218	(28,970)	352,987	744,018
Operating Income/(loss)	(60,515)	(55,228)	(5,287)	(505,712)	(537,394)	31,682	(714,188)	(685,218)	28,970	(58,963)	(744,018)
Non-Operating Income/Expense											
5010 Investment Income from Interest	87,228	0	87,228	598,052	0	598,052	0	598,052	598,052	815,981	0
5020 Investment Realized Gains (Loss)	5,185	0	5,185	(29,887)	0	(29,887)	0	(29,887)	(29,887)	378,407	0
5030 Investment Unrealized Gains (Loss)	(257,350)	0	(257,350)	(1,397,679)	0	(1,397,679)	0	(1,397,679)	(1,397,679)	1,170,658	0
7630 Earnings Allocations to Providers	0	0	0	400,000	0	400,000	0	400,000	400,000	192,969	0
9000 Depreciation and Amortization E	11,477	11,477	0	103,294	103,293	1	137,724	137,725	1	137,232	137,724
Total Non-Operating Inc/Exp	(176,413)	(11,477)	(164,936)	(1,332,808)	(103,293)	(1,229,515)	(137,724)	(1,367,239)	(1,229,515)	2,034,846	(137,724)
Net Income	(236,928)	(66,705)	(170,224)	(1,838,520)	(640,687)	(1,197,833)	(851,912)	(2,052,457)	(1,200,545)	1,975,882	(881,742)

Smart Corporation
Balance Sheet
For the Month Ending September 30, 2015

	September YTD				Annual		
	2015	Last Year	Var \$	Var %	Last Year	Var \$	Var %
ASSETS							
Current Assets							
Cash and cash equivalents	\$2,655,368	\$3,355,024	(\$699,656)	(21.%)	\$5,454,829	(\$2,799,461)	(51.%)
Investments	53,419,896	49,776,716	3,643,181	7.%	48,471,033	4,948,863	10.%
Accounts Receivable	0	67,891	(67,891)	(100.%)	453,112	(453,112)	(100.%)
Prepaid Expenses	2,003	0	2,003	0.0%	0	2,003	0.0%
Total Current Assets	56,077,268	53,199,630	2,877,637	5.%	54,378,974	1,698,294	3.%
Long Term Assets							
PP&E	910,467	910,467	0	0.0%	910,467	0	0.0%
Less Accum. Depreciation	(336,247)	(198,522)	(137,725)	69.%	(232,953)	(103,294)	44.%
Total Long Term Assets	574,220	711,945	(137,725)	(19.%)	677,513	(103,294)	(15.%)
Total Assets	\$56,651,488	\$53,911,575	\$2,739,913	5.%	\$55,056,488	\$1,595,000	3.%
LIABILITIES							
Current Liabilities							
Accounts Payable	83,998	227,075	143,077	63.%	44,165	(39,833)	(90.%)
Scholarship Providers	53,841,473	49,760,935	(4,080,538)	(8.%)	50,447,786	(3,393,687)	(7.%)
Total Current Liabilities	53,925,471	49,988,010	3,937,461	8.%	50,491,951	3,433,520	7.%
Total Liabilities	53,925,471	49,988,010	3,937,461	8.%	50,491,951	3,433,520	7.%
NET ASSETS							
Net Assets - Beginning	4,564,536	2,588,654	(1,975,882)	(76.%)	2,588,654	(1,975,882)	(76.%)
Change in Net Assets - Year to Date	(1,838,520)	1,334,911	3,173,431	238.%	1,975,882	3,814,402	193.%
Total Net Assets	2,726,017	3,923,565	(1,197,548)	(31.%)	4,564,536	(1,838,520)	(40.%)
Total Liabilities & Net Assets	\$56,651,488	\$53,911,575	\$2,739,913	5.%	\$55,056,488	\$1,595,000	3.%

Smart Corporation
Statement of Cash Flow
For the Five Months Ending September 30, 2015

Beginning Cash Balance	53,925,862
Change in Net Assets	(1,838,520)
Plus Non-Cash Items:	
Depreciation and Amortization	103,294
Loss/(Gain) Sale of Assets	-
Cash Flow from Operating Activities	
(Increase) Decrease in Accounts Receivable	5,361,876
(Increase) Decrease in Inventory	-
(Increase) Decrease in Prepaid Expenses & Other	(2,003)
Increase (Decrease) Accounts Payable	39,833
Increase (Decrease) Accrued Liabilities	(1,515,077)
Increase (Decrease) in Deferred Revenue	-
(Increase) Decrease in Long Term Assets	-
(Increase) Decrease Temp Restricted Funds	-
Total Adjustments	3,884,628
Net Cash from Operating Activities	2,149,402
Cash Flow from Investing Activities	
Sales of Investments	-
Purchases of Investments	-
Proceeds from Sale of PP&E	-
Net Cash from Investing Activities	-
Net Cash from Financing Activities	-
Net Cash Flow	2,149,402
Ending Cash Balance	56,075,264
Balance per GL	56,075,264

Smart Corporation
Report of Changes in Cash
09/30/2015

	TOTAL	January 1	February 2	March 3	April 4	May 5	June 6	July 7	August 8	September 9	October 10	November 11	December 12
Beginning Cash Balance		3,651,248.00	3,574,580.81	3,312,343.66	2,543,942.00	3,334,041.27	2,992,320.96	3,306,804.24	3,030,853.98	2,711,255.49			
Change in Cash													
Wells Fargo	(635.37)	(135.37)	(135.66)	(145.18)	(135.67)	(148.49)	65.00	-	-	-	-	-	-
Frost - Cash Inflow													
Scholarship Provider Deposits	6,915,223.35	\$348,672	\$446,314	619,367.79	733,194.48	957,195.01	1,284,567.30	1,139,216.76	645,362.59	741,333.51			
Frost - Cash Outflow													
Operating Expenses	(151,745.29)	(9,374.74)	(2,498.00)	(45,898.95)	-	(47,897.47)	(680.55)	(22,293.15)	(\$49.67)	(23,052.76)		-	-
Scholarship Recipient Payments	(3,609,481.73)	(415,828.81)	(129,152.43)	(141,288.85)	(164,801.00)	(201,749.53)	(295,061.45)	(840,362.23)	(\$1,065,237.55)	(355,999.88)		-	-
Intercompany Payments	(352,283.44)	-	-	-	-	-	(274,283.44)	(26,000.00)	(26,000.00)	(26,000.00)		-	-
Cash Equivalents	737,042.76	-	1,023,234.76	(519,436.47)	364,841.46	(449,119.83)	316,876.42	(526,511.64)	919,326.14	(392,168.08)			
Investment Transfers	(4,534,000.00)	-	(1,600,000.00)	(681,000.00)	(143,000.00)	(600,000.00)	(717,000.00)	-	(793,000.00)	-			
Total Change in Cash	(995,879.72)	(76,667.19)	(262,237.15)	(768,401.66)	790,099.27	(341,720.31)	314,483.28	(275,950.26)	(319,598.49)	(55,887.21)			
Ending Cash Balance		3,574,580.81	3,312,343.66	2,543,942.00	3,334,041.27	2,992,320.96	3,306,804.24	3,030,853.98	2,711,255.49	2,655,368.28	-	-	-

SMART
INCOME STATEMENT FORECASTSMART Scholarship Funding Corp
For the Nine Months Ending Wednesday, September 30, 2015
Amounts in Whole Units

	Actuals										FORECAST	ACTUAL+FORECAST	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
Expenses													
6800 Legal Fees	\$0	\$0	\$10	\$0	\$2,472	\$131	\$0	\$0	\$200	\$0	\$0	\$0	\$2,813
6810 Audit Fees	2,500	0	5,000	0	2,500	0	0	0	2,600	0	0	0	12,600
6820 Consulting and Professional Fee	4,428	0	5,781	0	0	0	0	0	0	0	0	0	10,208
6820 Professional Fee-Logan	6,895	7,981	7,324	7,060	7,258	7,460	7,131	7,325	5,399	8,113	8,113	8,968	89,027
6820 Professional Fee-Asset Strategy	6,222	6,655	6,309	6,309	8,182	6,683	6,683	6,802	6,707	7,038	7,038	7,038	81,666
6820 Professional Fee-BNY	0	0	5,322	1,774	1,774	2,097	0	0	7,632	1,805	1,805	1,801	24,009
6820 Professional Fee-USBC	16,620	36,364	25,077	25,001	29,674	28,608	35,814	32,917	37,204	42,643	40,770	40,770	391,463
6900 Bank and Credit Card Fees	135	136	145	139	148	0	446	0	182	167	164	165	1,828
6950 Printing Costs	0	0	0	1,107	45	0	0	52	0	200	200	200	1,804
6970 Postage and Freight	0	0	0	0	0	0	0	50	(99)	150	150	150	400
7000 Travel Expenses	0	0	0	345	697	1,399	0	237	0	0	0	0	2,677
7300 Insurance Expense	849	464	690	690	690	668	690	690	690	677	664	718	8,181
7620 Miscellaneous Expense	0	0	0	0	18,116	40,427	0	0	0	0	0	0	58,542
Total Expenses	37,649	51,601	55,658	42,424	71,556	87,471	50,765	48,073	60,515	60,793	58,904	59,810	685,218
Operating Income/(loss)	(37,649)	(51,601)	(55,658)	(42,424)	(71,556)	(87,471)	(50,765)	(48,073)	(60,515)	(60,793)	(58,904)	(59,810)	(685,218)
Non-Operating Income/Expense													
5010 Investment Income from Interest	64,781	63,151	62,172	62,159	62,077	61,274	61,066	74,144	87,228	0	0	0	598,052
5020 Investment Realized Gains (Loss)	53,406	1,042	(10,174)	11,982	(47,949)	(45,820)	5,438	(2,997)	5,185	0	0	0	(29,887)
5030 Investment Unrealized Gains (Loss)	403,411	81,946	(884)	5,617	(25,644)	(627,731)	97,066	(1,074,110)	(257,350)	0	0	0	(1,397,679)
7630 Earnings Allocations to Providers	0	0	0	0	400,000	0	0	0	0	0	0	0	400,000
9000 Depreciation and Amortization E	11,477	10,984	10,984	10,984	12,955	11,477	11,477	11,477	11,477	11,477	11,477	11,477	137,725
Total Non-Operating Inc/Exp	510,121	135,155	40,129	68,773	(424,472)	(623,754)	152,094	(1,014,441)	(176,413)	(11,477)	(11,477)	(11,477)	(1,367,239)
Net Income	472,472	83,555	(15,529)	26,349	(496,027)	(711,225)	101,329	(1,062,514)	(236,928)	(72,270)	(70,381)	(71,287)	(2,052,457)