



**UNAUDITED  
FINANCIAL  
STATEMENT**

**MARCH 2016**

# SMART CORPORATION

## EXECUTIVE SUMMARY

**FOR THE MONTH ENDING MARCH 31, 2016**  
(in thousands)

### INCOME STATEMENT

	Year to Date			Annual	
	Actual	Budget	Variance	Forecast	Budget
<b>INCOME</b>					
Investment Income	\$ 281	\$ -	\$ 281	\$ 281	\$ -
Unrealized Gains (Losses)	1,622	-	1,622	1,622	-
Realized Gains (Losses)	152	-	152	152	-
Charitable Contributions	-	-	-	-	-
<b>TOTAL INCOME</b>	<b>2,055</b>	<b>-</b>	<b>2,055</b>	<b>2,055</b>	<b>-</b>
<b>EXPENSE</b>					
Consulting & Professional Fees	0	-	(0)	-	-
Professional Fee - APEX Capt Mngmt	1	-	(1)	1	-
Professional Fee - Logan	23	22	(1)	90	87
Professional Fee-Asset Strategy	21	20	(1)	82	80
Professional Fee - BNY	7	6	(1)	27	22
Professional Fee - M&T	2	-	(2)	9	-
Professional Fee - USBC	93	100	7	400	400
Other	14	22	8	40	39
<b>ADMINISTRATIVE EXPENSE</b>	<b>161</b>	<b>170</b>	<b>8</b>	<b>649</b>	<b>627</b>
Earnings Allocation to Providers	-	-	-	-	-
Depreciation	34	39	5	135	155
<b>TOTAL EXPENSE</b>	<b>195</b>	<b>208</b>	<b>13</b>	<b>784</b>	<b>783</b>
<b>NET INCOME</b>	<b>\$ 1,860</b>	<b>\$ (208)</b>	<b>\$ 2,068</b>	<b>\$ 1,271</b>	<b>\$ (783)</b>

### SCHOLARSHIP LIABILITY/INVESTMENT ACTIVITY

	Balance 2/29/16	Deposits	Disbursements	Balance 3/31/16	
<b>SCHOLARSHIP LIABILITY</b>	\$ 54,456	\$ 537	\$ (101)	\$ 54,892	
<b>CASH &amp; INVESTMENTS</b>	Balance 2/29/16	Deposits/ Withdrawals	Disbursements Gains(Losses)	Balance 3/31/16	% of Portfolio
<b>CASH (1)</b>	\$ 3,807	(1,541)	(126)	\$ 2,140	
<b>INVESTMENTS</b>	52,928	2,049	1,984	\$ 56,961	
* Approximately 15% Equities and 85% Fixed Income					
<b>TOTAL CASH/INVESTMENTS</b>	<b>\$ 56,735</b>	<b>\$ 507</b>	<b>\$ 1,859</b>	<b>\$ 59,101</b>	

<b>RETURN ON INVESTMENTS</b>	<b>BYN Mellon</b>	<b>Wilmington</b>	<b>Total / YTD Mths</b>	<b>Avg Balance 3/31/16</b>
Average Investment Base Year to Date	38,478	15,187	53,665	\$ 53,665
Investment Income to Date				\$ 2,055
<b>Average Return on Investment</b>				<b>3.83%</b>
Earnings Net of Expenses				\$ 1,860
<b>Avg Return on Investment net of Investment expenses</b>				<b>3.56%</b>
<b>Average Return on Investment net of Investment expenses excluding unrealized gains/losses</b>				<b>0.54%</b>

Smart Corporation  
Statement of Changes in Net Assets by Account  
For the Three Months Ending March 31, 2016

	March			YEAR TO DATE			ANNUAL			PRIOR YEAR	PRIOR MONTH
	ACTUAL	FORECAST	VARIANCE	ACTUAL	BUDGET	VARIANCE	BUDGET	FORECAST	VARIANCE	ACTUAL	FORECAST
<b>Income</b>											
<b>Expenses</b>											
6800 Legal Fees	\$3,710	\$3,500	\$210	\$5,422	\$0	\$5,422	\$1,500	\$9,922	\$8,422	\$5,102	\$1,500
6810 Audit Fees	5,000	5,000	0	5,000	7,500	(2,500)	7,500	5,000	(2,500)	12,600	7,500
6820 Consulting and Professional Fee	39	0	39	39	0	39	0	39	39	10,208	0
6820 Professional Fee-APEX Capt Mngmt	558	558	0	1,403	0	1,403	0	1,403	1,403	0	0
6820 Professional Fee-Logan	7,352	7,352	0	22,624	21,625	999	86,500	90,497	3,997	89,032	86,500
6820 Professional Fee-Asset Strategy	6,769	6,769	0	20,795	19,875	920	79,500	81,713	2,213	80,787	79,500
6820 Professional Fee-BNY	2,208	2,246	(38)	6,762	5,500	1,262	22,000	27,462	5,462	25,429	22,000
6820 Professional Fee-M&T	2,223	2,200	23	2,223	0	2,223	0	8,823	8,823	0	0
6820 Professional Fee-USBC	31,888	31,888	0	93,222	100,246	(7,024)	399,999	400,000	1	352,027	399,999
6900 Bank and Credit Card Fees	628	650	(22)	1,668	450	1,218	1,800	7,518	5,718	3,516	1,800
6950 Printing Costs	0	0	0	0	0	0	0	0	0	1,262	0
6970 Postage and Freight	0	75	(75)	0	225	(225)	900	675	(225)	0	900
7000 Travel Expenses	881	881	0	881	4,100	(3,219)	11,600	11,600	0	2,677	11,600
7300 Insurance Expense	391	391	0	1,172	2,031	(859)	8,125	4,689	(3,436)	8,125	8,125
7620 Miscellaneous Expense	90	0	90	90	0	90	0	90	90	109,238	0
7800 License Fees	10	0	10	10	8,000	(7,990)	8,000	10	(7,990)	0	8,000
<b>Total Expenses</b>	<b>61,746</b>	<b>61,509</b>	<b>237</b>	<b>161,311</b>	<b>169,552</b>	<b>(8,241)</b>	<b>627,424</b>	<b>649,441</b>	<b>22,017</b>	<b>700,003</b>	<b>627,424</b>
<b>Operating Income/(loss)</b>	<b>(61,746)</b>	<b>(61,509)</b>	<b>(237)</b>	<b>(161,311)</b>	<b>(169,552)</b>	<b>8,241</b>	<b>(627,424)</b>	<b>(649,441)</b>	<b>(22,017)</b>	<b>(700,003)</b>	<b>(627,424)</b>
<b>Non-Operating Income/Expense</b>											
5010 Investment Income from Interest	93,253	0	93,253	280,907	0	280,907	0	280,907	280,907	868,422	0
5020 Investment Realized Gains (Loss)	113,791	0	113,791	152,372	0	152,372	0	152,372	152,372	(42,637)	0
5030 Investment Unrealized Gains (Loss)	1,786,275	0	1,786,275	1,621,632	0	1,621,632	0	1,621,632	1,621,632	(1,346,728)	0
7630 Earnings Allocations to Providers	0	0	0	0	0	0	0	0	0	400,000	0
9000 Depreciation and Amortization E	11,211	11,211	0	33,634	38,865	(5,231)	155,460	134,536	(20,924)	139,368	155,460
<b>Total Non-Operating Inc/Exp</b>	<b>1,982,108</b>	<b>(11,211)</b>	<b>1,993,319</b>	<b>2,021,278</b>	<b>(38,865)</b>	<b>2,060,143</b>	<b>(155,460)</b>	<b>1,920,376</b>	<b>2,075,836</b>	<b>(1,060,311)</b>	<b>(155,460)</b>
<b>Net Income</b>	<b>1,920,362</b>	<b>(72,720)</b>	<b>1,993,082</b>	<b>1,859,966</b>	<b>(208,417)</b>	<b>2,068,383</b>	<b>(782,884)</b>	<b>1,270,935</b>	<b>2,053,819</b>	<b>(1,760,314)</b>	<b>(782,884)</b>

Smart Corporation  
Balance Sheet  
For the Month Ending March 31, 2016

	March YTD				Annual		
	2016	Last Year	Var \$	Var %	Last Year	Var \$	Var %
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	\$2,140,273	\$2,543,942	(\$403,669)	(16.%)	\$4,328,156	(\$2,187,883)	(51.%)
Investments	56,960,607	52,961,782	3,998,825	8.%	51,980,601	4,980,006	10.%
Accounts Receivable	11,004	67,891	(56,886)	(84.%)	332,390	(321,386)	(97.%)
Prepaid Expenses	2,110	6,122	(4,012)	(66.%)	0	2,110	0.%
<b>Total Current Assets</b>	<b>59,113,994</b>	<b>55,579,736</b>	<b>3,534,258</b>	<b>6.%</b>	<b>56,641,147</b>	<b>2,472,847</b>	<b>4.%</b>
<b>Long Term Assets</b>							
PP&E	910,467	910,467	0	0.%	910,467	0	0.%
Less Accum. Depreciation	(405,955)	(266,399)	(139,556)	52.%	(372,321)	(33,634)	9.%
<b>Total Long Term Assets</b>	<b>504,511</b>	<b>644,068</b>	<b>(139,556)</b>	<b>(22.%)</b>	<b>538,146</b>	<b>(33,634)</b>	<b>(6.%)</b>
<b>Total Assets</b>	<b>\$59,618,506</b>	<b>\$56,223,804</b>	<b>\$3,394,702</b>	<b>6.%</b>	<b>\$57,179,292</b>	<b>\$2,439,213</b>	<b>4.%</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Accounts Payable	62,592	309,782	247,190	80.%	51,495	(11,097)	(22.%)
Scholarship Providers	54,891,725	50,808,988	(4,082,737)	(8.%)	54,323,576	(568,150)	(1.%)
<b>Total Current Liabilities</b>	<b>54,954,317</b>	<b>51,118,771</b>	<b>3,835,546</b>	<b>8.%</b>	<b>54,375,070</b>	<b>579,247</b>	<b>1.%</b>
<b>Total Liabilities</b>	<b>54,954,317</b>	<b>51,118,771</b>	<b>3,835,546</b>	<b>8.%</b>	<b>54,375,070</b>	<b>579,247</b>	<b>1.%</b>
<b>NET ASSETS</b>							
Net Assets - Beginning	2,804,222	4,564,536	1,760,314	39.%	4,564,536	1,760,314	39.%
Change in Net Assets - Year to Date	1,859,966	540,497	(1,319,470)	(244.%)	(1,760,314)	(3,620,281)	206.%
<b>Total Net Assets</b>	<b>4,664,189</b>	<b>5,105,033</b>	<b>(440,845)</b>	<b>(9.%)</b>	<b>2,804,222</b>	<b>1,859,966</b>	<b>66.%</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$59,618,506</b>	<b>\$56,223,804</b>	<b>\$3,394,702</b>	<b>6.%</b>	<b>\$57,179,292</b>	<b>\$2,439,213</b>	<b>4.%</b>

Smart Corporation  
Statement of Cash Flow  
For the Month Ending March 31, 2016

Beginning Cash Balance	56,308,757
Change in Net Assets	1,859,966
Plus Non-Cash Items:	
Depreciation and Amortization	33,634
Loss/(Gain) Sale of Assets	-
Cash Flow from Operating Activities	
(Increase) Decrease in Accounts Receivable	6,516,259
(Increase) Decrease in Inventory	-
(Increase) Decrease in Prepaid Expenses & Other	(2,110)
Increase (Decrease) Accounts Payable	11,097
Increase (Decrease) Accrued Liabilities	(5,626,724)
Increase (Decrease) in Deferred Revenue	-
(Increase) Decrease in Long Term Assets	-
(Increase) Decrease Temp Restricted Funds	-
Total Adjustments	<u>898,522</u>
Net Cash from Operating Activities	<u>2,792,123</u>
Cash Flow from Investing Activities	
Sales of Investments	-
Purchases of Investments	-
Proceeds from Sale of PP&E	<u>-</u>
Net Cash from Investing Activities	-
Net Cash from Financing Activities	-
Net Cash Flow	2,792,123
Ending Cash Balance	<u>59,100,881</u>
Balance per GL	<u><u>59,100,881</u></u>

**Smart Corporation**  
**Report of Changes in Cash**  
**3/31/16**

	<b>TOTAL</b>	January 1	February 2	March 3	April 4
Beginning Cash Balance		3,428,146	4,067,596	3,807,113	2,140,273
Change in Cash					
Wells Fargo	(290.86)	(145)	(146)	(151)	-
Frost - Cash Inflow					
Scholarship Provider Deposits	790,184.59	378,638	411,547	536,679	
Frost - Cash Outflow					
Operating Expenses	(26,114.70)	-	(26,115)	(29,132)	
Scholarship Recipient Payments	(663,403.42)	(514,268)	(149,136)	(99,654)	-
Intercompany Payments	(68,311.26)	(42,311)	(26,000)	(26,000)	-
Cash Equivalents	486,902.96	957,537	(470,634)	(2,048,582)	-
Investment Transfers	(140,000.00)	(140,000)	-	-	-
<b>Total Change in Cash</b>	<b>378,967.31</b>	<b>639,450</b>	<b>(260,483)</b>	<b>(1,666,840)</b>	<b>-</b>
Ending Cash Balance		4,067,596	3,807,113	2,140,273	2,140,273

SMART  
INCOME STATEMENT FORECAST SMART Scholarship Funding Corp  
For the Three Months Ending March 31, 2016  
Amounts in Whole Units

	Actuals			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	FORECAST	ACTUAL+FORECAST	
	Jan	Feb	Mar									Dec	TOTAL	
<b>Income</b>														
5010	Investment Income from Interest	\$94,157	\$93,496	\$93,253	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$280,907
5020	Investment Realized Gains (Loss)	6,425	32,157	113,791	0	0	0	0	0	0	0	0	0	152,372
5030	Investment Unrealized Gains (Loss)	(438,942)	274,299	1,786,275	0	0	0	0	0	0	0	0	0	1,621,632
	<b>Total Income</b>	<b>(338,359)</b>	<b>399,952</b>	<b>1,993,319</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,054,912</b>
<b>Expenses</b>														
6800	Legal Fees	0	1,712	3,710	1,500	1,500	1,500	0	0	0	0	0	0	9,922
6810	Audit Fees	0	0	5,000	0	0	0	0	0	0	0	0	0	5,000
6820	Consulting and Professional Fee	53,342	42,690	51,036	46,950	48,313	57,313	48,689	49,676	57,413	48,689	48,313	57,513	609,937
6900	Bank and Credit Card Fees	145	895	628	650	650	650	650	650	650	650	650	650	7,518
6970	Postage and Freight	0	0	0	75	75	75	75	75	75	75	75	75	675
7000	Travel Expenses	0	0	881	3,219	0	2,500	0	2,500	0	0	2,500	0	11,600
7300	Insurance Expense	391	391	391	391	391	391	391	391	391	391	391	391	4,689
7620	Miscellaneous Expense	0	0	90	0	0	0	0	0	0	0	0	0	90
7800	License Fees	0	0	10	0	0	0	0	0	0	0	0	0	10
9000	Depreciation and Amortization E	11,211	11,211	11,211	11,211	11,211	11,211	11,211	11,211	11,211	11,211	11,211	11,211	134,536
	<b>Total Expenses</b>	<b>65,090</b>	<b>56,899</b>	<b>72,957</b>	<b>63,996</b>	<b>62,140</b>	<b>73,640</b>	<b>61,016</b>	<b>64,503</b>	<b>69,740</b>	<b>61,016</b>	<b>63,140</b>	<b>69,840</b>	<b>783,977</b>
	<b>Net Income/(loss)</b>	<b>(403,449)</b>	<b>343,053</b>	<b>1,920,362</b>	<b>(63,996)</b>	<b>(62,140)</b>	<b>(73,640)</b>	<b>(61,016)</b>	<b>(64,503)</b>	<b>(69,740)</b>	<b>(61,016)</b>	<b>(63,140)</b>	<b>(69,840)</b>	<b>1,270,935</b>