



UNAUDITED  
FINANCIAL  
STATEMENT

SEPTEMBER 2016

**SMART CORPORATION**  
**EXECUTIVE SUMMARY**  
**FOR THE MONTH ENDING SEPTEMBER 30, 2016**  
(in thousands)

**INCOME STATEMENT**

	Year to Date			Annual	
	Actual	Budget	Variance	Forecast	Budget
<b>INCOME</b>					
Investment Income	\$ 843	\$ -	\$ 843	\$ 843	\$ -
Unrealized Gains (Losses)	3,166	-	3,166	3,166	-
Realized Gains (Losses)	837	-	837	837	-
Charitable Contributions	-	-	-	-	-
<b>TOTAL INCOME</b>	<b>4,846</b>	<b>-</b>	<b>4,846</b>	<b>4,846</b>	<b>-</b>
<b>EXPENSE</b>					
Consulting & Professional Fees	0	-	(0)	0	-
Professional Fee - APEX Capt Mngmt	5	-	(5)	7	-
Professional Fee - Logan	73	65	(8)	97	87
Professional Fee-Asset Strategy	67	60	(7)	89	80
Professional Fee - BNY	25	17	(9)	32	22
Professional Fee - M&T	7	-	(7)	9	-
Professional Fee - USBC	297	302	5	400	400
Other	48	34	(14)	57	39
<b>ADMINISTRATIVE EXPENSE</b>	<b>521</b>	<b>477</b>	<b>(44)</b>	<b>691</b>	<b>627</b>
Earnings Allocation to Providers	450	-	(450)	450	-
Depreciation	101	117	16	135	155
<b>TOTAL EXPENSE</b>	<b>1,072</b>	<b>594</b>	<b>(478)</b>	<b>1,276</b>	<b>783</b>
<b>NET INCOME</b>	<b>\$ 3,774</b>	<b>\$ (594)</b>	<b>\$ 4,368</b>	<b>\$ 3,570</b>	<b>\$ (783)</b>

**SCHOLARSHIP LIABILITY/INVESTMENT ACTIVITY**

	Balance 8/31/16	Deposits	Disbursements	Balance 9/30/16
<b>SCHOLARSHIP LIABILITY</b>	\$ 57,568	\$ 603	\$ (273)	\$ 57,897

	Balance 8/31/16	Deposits/ Withdrawals	Disbursements Gains(Losses)	Balance 9/30/16	% of Portfolio
<b>CASH &amp; INVESTMENTS</b>					
<b>CASH (1)</b>	\$ 1,559	602	(317)	\$ 1,844	
<b>INVESTMENTS</b>	62,250	-	14	\$ 62,264	
* Approximately 15% Equities and 85% Fixed Income					
<b>TOTAL CASH/INVESTMENTS</b>	\$ 63,808	\$ 602	\$ (303)	\$ 64,108	

<b>RETURN ON INVESTMENTS</b>	<b>BYN Mellon</b>	<b>Wilmington</b>	<b>Total / YTD Mths</b>	<b>Avg Balance 9/30/16</b>
Average Investment Base Year to Date	42,839	15,448	58,287	\$ 58,287
Investment Income to Date				\$ 4,846
<b>Average Return on Investment</b>				<b>8.31%</b>
Earnings Net of Expenses				\$ 3,774
<b>Avg Return on Investment net of Investment expenses</b>				<b>7.50%</b>
<b>Average Return on Investment net of Investment expenses excluding unrealized gains/losses</b>				<b>2.07%</b>

Smart Corporation  
Statement of Changes in Net Assets by Account  
For the Nine Months Ending September 30, 2016

	September			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>												
6100	Uniforms	\$0	\$0	\$0	\$176	\$0	\$176	\$0	\$176	\$176	\$0	\$176
6800	Legal Fees	0	0	0	10,463	1,500	8,963	1,500	10,463	8,963	5,102	10,463
6810	Audit Fees	0	0	0	7,500	7,500	0	7,500	7,500	0	12,600	7,500
6820	Consulting and Professional Fee	0	0	0	39	0	39	0	39	39	10,208	39
6820	Professional Fee-APEX Capt Mngmt	578	578	0	4,927	0	4,927	0	6,701	6,701	0	6,701
6820	Professional Fee-Logan	8,181	8,181	0	72,843	64,875	7,968	86,500	97,385	10,885	89,032	97,385
6820	Professional Fee-Asset Strategy	7,460	7,460	0	66,608	59,625	6,983	79,500	88,988	9,488	80,787	88,988
6820	Professional Fee-BNY	9,328	8,900	428	25,075	16,500	8,575	22,000	32,075	10,075	25,429	31,647
6820	Professional Fee-M&T	2,532	2,200	332	6,877	0	6,877	0	9,077	9,077	0	8,745
6820	Professional Fee-USBC	37,760	35,354	2,406	296,688	302,053	(5,365)	399,999	400,000	1	352,027	397,229
6900	Bank and Credit Card Fees	(487)	650	(1,137)	6,006	1,350	4,656	1,800	7,956	6,156	3,516	9,093
6930	Office Supplies Cost	0	0	0	32	0	32	0	32	32	0	32
6950	Printing Costs	0	0	0	108	0	108	0	108	108	1,262	108
6970	Postage and Freight	0	75	(75)	0	675	(675)	900	225	(675)	0	300
7000	Travel Expenses	0	0	0	2,469	9,100	(6,631)	11,600	7,469	(4,131)	2,677	7,469
7300	Insurance Expense	391	391	0	3,517	6,094	(2,577)	8,125	4,689	(3,436)	8,125	4,689
7620	Miscellaneous Expense	7,610	0	7,610	18,092	0	18,092	0	18,092	18,092	109,238	10,482
7800	License Fees	0	0	0	10	8,000	(7,990)	8,000	10	(7,990)	0	10
<b>Total Expenses</b>		<b>73,353</b>	<b>63,789</b>	<b>9,564</b>	<b>521,429</b>	<b>477,272</b>	<b>44,157</b>	<b>627,424</b>	<b>690,984</b>	<b>63,560</b>	<b>700,003</b>	<b>681,055</b>
<b>Operating Income/(loss)</b>		<b>(73,353)</b>	<b>(63,789)</b>	<b>(9,564)</b>	<b>(521,429)</b>	<b>(477,272)</b>	<b>(44,157)</b>	<b>(627,424)</b>	<b>(690,984)</b>	<b>(63,560)</b>	<b>(700,003)</b>	<b>(681,055)</b>
<b>Non-Operating Income/Expense</b>												
5010	Investment Income from Interest	95,280	0	95,280	842,791	0	842,791	0	842,791	842,791	868,422	747,511
5020	Investment Realized Gains (Loss)	40,919	0	40,919	836,849	0	836,849	0	836,849	836,849	(42,637)	795,930
5030	Investment Unrealized Gains (Loss)	(110,139)	0	(110,139)	3,166,406	0	3,166,406	0	3,166,406	3,166,406	(1,346,728)	3,276,545
7630	Earnings Allocations to Providers	0	0	0	450,000	0	450,000	0	450,000	450,000	400,000	450,000
9000	Depreciation and Amortization E	11,211	11,211	0	100,902	116,595	(15,693)	155,460	134,536	(20,924)	139,368	134,536
<b>Total Non-Operating Inc/Exp</b>		<b>14,849</b>	<b>(11,211)</b>	<b>26,060</b>	<b>4,295,144</b>	<b>(116,595)</b>	<b>4,411,739</b>	<b>(155,460)</b>	<b>4,261,509</b>	<b>4,416,969</b>	<b>(1,060,311)</b>	<b>4,235,450</b>
<b>Net Income</b>		<b>(58,504)</b>	<b>(75,000)</b>	<b>16,496</b>	<b>3,773,715</b>	<b>(593,867)</b>	<b>4,367,582</b>	<b>(782,884)</b>	<b>3,570,525</b>	<b>4,353,409</b>	<b>(1,760,314)</b>	<b>3,554,395</b>

Smart Corporation  
Balance Sheet  
For the Month Ending September 30, 2016

	September YTD				Annual		
	2016	Last Year	Var \$	Var %	Last Year	Var \$	Var %
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	\$1,843,796	\$2,655,368	(\$811,572)	(31.%)	\$4,328,156	(\$2,484,360)	(57.%)
Investments	62,263,774	53,419,896	8,843,878	17.%	51,980,601	10,283,173	20.%
Accounts Receivable	98	0	98	0.0%	332,390	(332,292)	(100.%)
Prepaid Expenses	1,172	2,003	(831)	(41.%)	0	1,172	0.0%
<b>Total Current Assets</b>	<b>64,108,840</b>	<b>56,077,268</b>	<b>8,031,572</b>	<b>14.%</b>	<b>56,641,147</b>	<b>7,467,693</b>	<b>13.%</b>
<b>Long Term Assets</b>							
PP&E	910,467	910,467	0	0.0%	910,467	0	0.0%
Less Accum. Depreciation	(473,223)	(336,247)	(136,977)	41.%	(372,321)	(100,902)	27.%
<b>Total Long Term Assets</b>	<b>437,243</b>	<b>574,220</b>	<b>(136,977)</b>	<b>(24.%)</b>	<b>538,146</b>	<b>(100,902)</b>	<b>(19.%)</b>
<b>Total Assets</b>	<b>\$64,546,083</b>	<b>\$56,651,488</b>	<b>\$7,894,596</b>	<b>14.%</b>	<b>\$57,179,292</b>	<b>\$7,366,791</b>	<b>13.%</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Accounts Payable	70,904	83,998	13,093	16.%	51,495	(19,410)	(38.%)
Scholarship Providers	57,897,242	53,841,473	(4,055,769)	(8.%)	54,323,576	(3,573,666)	(7.%)
<b>Total Current Liabilities</b>	<b>57,968,147</b>	<b>53,925,471</b>	<b>4,042,675</b>	<b>8.%</b>	<b>54,375,070</b>	<b>3,593,076</b>	<b>7.%</b>
<b>Total Liabilities</b>	<b>57,968,147</b>	<b>53,925,471</b>	<b>4,042,675</b>	<b>8.%</b>	<b>54,375,070</b>	<b>3,593,076</b>	<b>7.%</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	3,773,715	(1,838,520)	(5,612,235)	305.%	(1,760,314)	(5,534,029)	314.%
<b>Total Net Assets</b>	<b>6,577,937</b>	<b>2,726,017</b>	<b>3,851,920</b>	<b>141.%</b>	<b>2,804,222</b>	<b>3,773,715</b>	<b>135.%</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$64,546,083</b>	<b>\$56,651,488</b>	<b>\$7,894,596</b>	<b>14.%</b>	<b>\$57,179,292</b>	<b>\$7,366,791</b>	<b>13.%</b>

Smart Corporation  
Statement of Cash Flow  
For the Month Ending September 30, 2016

Beginning Cash Balance	56,308,757
Change in Net Assets	3,773,715
Plus Non-Cash Items:	
Depreciation and Amortization	100,902
Loss/(Gain) Sale of Assets	-
Cash Flow from Operating Activities	
(Increase) Decrease in Accounts Receivable	6,444,569
(Increase) Decrease in Inventory	-
(Increase) Decrease in Prepaid Expenses & Other	(1,172)
Increase (Decrease) Accounts Payable	19,410
Increase (Decrease) Accrued Liabilities	(2,538,610)
Increase (Decrease) in Deferred Revenue	-
(Increase) Decrease in Long Term Assets	-
(Increase) Decrease Temp Restricted Funds	-
Total Adjustments	<u>3,924,196</u>
Net Cash from Operating Activities	<u>7,798,813</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	7,798,813
Ending Cash Balance	<u>64,107,570</u>
Balance per GL	<u><u>64,107,570</u></u>

**SMART Corporation**  
**Report of Changes in Cash**  
**September 30, 2016**

	<b>TOTAL</b>	January 1	February 2	March 3	April 4	May 5	June 6	July 7	August 8	September 9	October 10
Beginning Cash Balance		3,428,146	4,067,596	3,807,113	2,140,273	2,034,911	2,798,857	2,950,471	1,702,062	1,558,665	1,843,796
Change in Cash											
Wells Fargo	(1,321.38)	(145)	(146)	(151)	(146)	(148)	(146)	(148)	(146)	(146)	
Frost - Cash Inflow											
Scholarship Provider Deposits	7,101,655.77	378,638	411,547	536,679	653,528	1,092,184	1,127,599	1,067,764	1,231,123	602,594	
Frost - Cash Outflow											
Operating Expenses	(162,187.42)	-	(26,115)	(29,132)	(3,707)	(27,482)	(23,381)	(3,014)	(49,998)	642	
Scholarship Recipient Payments	(4,006,736.51)	(514,268)	(149,136)	(99,654)	(119,037)	(274,607)	(426,458)	(862,012)	(1,269,605)	(291,960)	
Intercompany Payments	(279,081.86)	(42,311)	(26,000)	(26,000)	(26,000)	(26,000)	(26,000)	(26,000)	(54,771)	(26,000)	
Cash Equivalents	(1,561,678.79)	957,537	(470,634)	(2,048,582)	-	-	-	-	-	-	
Investment Transfers	(2,675,000.00)	(140,000)	-	-	(610,000)	-	(500,000)	(1,425,000)	-	-	
<b>Total Change in Cash</b>	<b>(1,584,350.19)</b>	<b>639,450</b>	<b>(260,483)</b>	<b>(1,666,840)</b>	<b>(105,362)</b>	<b>763,947</b>	<b>151,614</b>	<b>(1,248,410)</b>	<b>(143,396)</b>	<b>285,130</b>	<b>-</b>
Ending Cash Balance		4,067,596	3,807,113	2,140,273	2,034,911	2,798,857	2,950,471	1,702,062	1,558,665	1,843,796	

SMART  
INCOME STATEMENT FORECAST SMART Scholarship Funding Corp  
For the Nine Months Ending September 30, 2016  
Amounts in Whole Units

	Actuals									Oct	Nov	FORECAST	ACTUAL+FORECAST
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep			Dec	TOTAL
<b>Income</b>													
5010 Investment Income from Interest	\$94,157	\$93,496	\$93,253	\$91,829	\$93,321	\$93,747	\$94,305	\$93,403	\$95,280	\$0	\$0	\$0	\$842,791
5020 Investment Realized Gains (Loss)	6,425	32,157	113,791	119,991	59,984	156,734	151,246	155,603	40,919	0	0	0	836,849
5030 Investment Unrealized Gains (Loss)	(438,942)	274,299	1,786,275	339,222	(87,525)	765,318	761,069	(123,172)	(110,139)	0	0	0	3,166,406
<b>Total Income</b>	<b>(338,359)</b>	<b>399,952</b>	<b>1,993,319</b>	<b>551,042</b>	<b>65,779</b>	<b>1,015,799</b>	<b>1,006,621</b>	<b>125,834</b>	<b>26,060</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,846,046</b>
<b>Expenses</b>													
6100 Uniforms	0	0	0	176	0	0	0	0	0	0	0	0	176
6800 Legal Fees	0	1,712	3,710	1,525	1,325	1,555	636	0	0	0	0	0	10,463
6810 Audit Fees	0	0	5,000	2,500	0	0	0	0	0	0	0	0	7,500
6820 Consulting and Professional Fee	53,342	42,690	51,036	46,564	48,611	59,417	55,358	50,199	65,839	50,617	51,558	59,033	634,264
6900 Bank and Credit Card Fees	145	895	628	661	930	800	1,614	820	(487)	650	650	650	7,956
6930 Office Supplies Cost	0	0	0	0	32	0	0	0	0	0	0	0	32
6950 Printing Costs	0	0	0	0	82	0	0	26	0	0	0	0	108
6970 Postage and Freight	0	0	0	0	0	0	0	0	0	75	75	75	225
7000 Travel Expenses	0	0	881	804	455	0	329	0	0	0	5,000	0	7,469
7300 Insurance Expense	391	391	391	391	391	391	391	391	391	391	391	391	4,689
7620 Miscellaneous Expense	0	0	90	6,462	3,930	0	0	0	7,610	0	0	0	18,092
7630 Earnings Allocations to Provide	0	0	0	0	450,000	0	0	0	0	0	0	0	450,000
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>70,293</b>	<b>516,967</b>	<b>73,374</b>	<b>69,539</b>	<b>62,648</b>	<b>84,564</b>	<b>62,944</b>	<b>68,885</b>	<b>71,360</b>	<b>1,275,521</b>
<b>Net Income/(loss)</b>	<b>(403,449)</b>	<b>343,053</b>	<b>1,920,362</b>	<b>480,748</b>	<b>(451,187)</b>	<b>942,425</b>	<b>937,081</b>	<b>63,186</b>	<b>(58,504)</b>	<b>(62,944)</b>	<b>(68,885)</b>	<b>(71,360)</b>	<b>3,570,525</b>