



**UNAUDITED  
FINANCIAL  
STATEMENT**

**JUNE 2016**

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

**INCOME STATEMENT**

	Year to Date			Annual	
	Actual	Budget	Variance	Forecast	Budget
<b>INCOME</b>					
Investment Income	\$ 560	\$ -	\$ 560	\$ 560	\$ -
Unrealized Gains (Losses)	2,639	-	2,639	2,639	-
Realized Gains (Losses)	489	-	489	489	-
Charitable Contributions	-	-	-	-	-
<b>TOTAL INCOME</b>	<b>3,688</b>	<b>-</b>	<b>3,688</b>	<b>3,688</b>	<b>-</b>
<b>EXPENSE</b>					
Consulting & Professional Fees	0	-	(0)	0	-
Professional Fee - APEX Capt Mngmt	3	-	(3)	6	-
Professional Fee - Logan	46	43	(3)	92	87
Professional Fee-Asset Strategy	42	40	(2)	83	80
Professional Fee - BNY	16	11	(5)	30	22
Professional Fee - M&T	4	-	(4)	9	-
Professional Fee - USBC	190	203	13	400	400
Other	37	32	(5)	48	39
<b>ADMINISTRATIVE EXPENSE</b>	<b>339</b>	<b>328</b>	<b>(10)</b>	<b>668</b>	<b>627</b>
Earnings Allocation to Providers	450	-	(450)	450	-
Depreciation	67	78	10	135	155
<b>TOTAL EXPENSE</b>	<b>856</b>	<b>406</b>	<b>(450)</b>	<b>1,252</b>	<b>783</b>
<b>NET INCOME</b>	<b>\$ 2,832</b>	<b>\$ (406)</b>	<b>\$ 3,238</b>	<b>\$ 2,435</b>	<b>\$ (783)</b>

**SCHOLARSHIP LIABILITY/INVESTMENT ACTIVITY**

	Balance	Deposits	Disbursements	Balance	% of Portfolio
	5/31/16			6/30/16	
<b>SCHOLARSHIP LIABILITY</b>	\$ 56,702	\$ 1,128	\$ (454)	\$ 57,376	
<b>CASH &amp; INVESTMENTS</b>	<b>Balance</b>	<b>Deposits/</b>	<b>Disbursements</b>	<b>Balance</b>	<b>% of</b>
	<b>5/31/16</b>	<b>Withdrawals</b>	<b>Gains(Losses)</b>	<b>6/30/16</b>	<b>Portfolio</b>
<b>CASH (1)</b>	\$ 2,799	627	(476)	\$ 2,950	
<b>INVESTMENTS</b>	58,187	500	1,005	\$ 59,692	
<b>TOTAL CASH/INVESTMENTS</b>	<b>\$ 60,986</b>	<b>\$ 1,127</b>	<b>\$ 529</b>	<b>\$ 62,643</b>	

\* Approximately 15% Equities and 85% Fixed Income

<b>RETURN ON INVESTMENTS</b>	<b>BYN Mellon</b>	<b>Wilmington</b>	<b>Total / YTD Mths</b>	<b>Avg Balance 6/30/16</b>
Average Investment Base Year to Date	39,718	15,285	55,003	\$ 55,003
Investment Income to Date				\$ 3,688
<b>Average Return on Investment</b>				<b>6.70%</b>
Earnings Net of Expenses				\$ 2,832
<b>Avg Return on Investment net of Investment expenses</b>				<b>6.17%</b>
<b>Average Return on Investment net of Investment expenses excluding unrealized gains/losses</b>				<b>1.37%</b>

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

	June			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	1,555	1,675	(120)	9,827	1,500	8,327	1,500	9,827	8,327	5,102	9,947
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	577	577	0	3,154	0	3,154	0	6,154	6,154	0	6,154
6820	Professional Fee-Logan	7,541	7,541	0	46,382	43,250	3,132	86,500	91,631	5,131	89,032	91,631
6820	Professional Fee-Asset Strategy	7,822	6,769	1,053	42,154	39,750	2,404	79,500	82,766	3,266	80,787	81,713
6820	Professional Fee-BNY	8,985	6,800	2,185	15,747	11,000	4,747	22,000	29,647	7,647	25,429	27,462
6820	Professional Fee-M&T	2,112	2,200	(88)	4,340	0	4,340	0	8,740	8,740	0	8,828
6820	Professional Fee-USBC	32,379	35,051	(2,672)	189,844	202,892	(13,047)	399,999	400,000	1	352,027	400,000
6900	Bank and Credit Card Fees	800	650	150	4,059	900	3,159	1,800	7,959	6,159	3,516	7,809
6930	Office Supplies Cost	0	0	0	32	0	32	0	32	32	0	32
6950	Printing Costs	0	0	0	82	0	82	0	82	82	1,262	82
6970	Postage and Freight	0	75	(75)	0	450	(450)	900	450	(450)	0	525
7000	Travel Expenses	0	2,500	(2,500)	2,140	9,100	(6,960)	11,600	7,140	(4,460)	2,677	9,640
7300	Insurance Expense	391	391	0	2,345	4,062	(1,718)	8,125	4,689	(3,436)	8,125	4,689
7620	Miscellaneous Expense	0	0	0	10,482	0	10,482	0	10,482	10,482	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>62,163</b>	<b>64,229</b>	<b>(2,066)</b>	<b>338,312</b>	<b>328,404</b>	<b>9,908</b>	<b>627,424</b>	<b>667,322</b>	<b>39,898</b>	<b>700,003</b>	<b>666,717</b>
<b>Operating Income/(loss)</b>		<b>(62,163)</b>	<b>(64,229)</b>	<b>2,066</b>	<b>(338,312)</b>	<b>(328,404)</b>	<b>(9,908)</b>	<b>(627,424)</b>	<b>(667,322)</b>	<b>(39,898)</b>	<b>(700,003)</b>	<b>(666,717)</b>
<b>Non-Operating Income/Expense</b>												
5010	Investment Income from Interest	93,747	0	93,747	559,803	0	559,803	0	559,803	559,803	868,422	466,057
5020	Investment Realized Gains (Loss)	156,734	0	156,734	489,081	0	489,081	0	489,081	489,081	(42,637)	332,348
5030	Investment Unrealized Gains (Loss)	765,318	0	765,318	2,638,647	0	2,638,647	0	2,638,647	2,638,647	(1,346,728)	1,873,329
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	67,268	77,730	(10,462)	155,460	134,536	(20,924)	139,368	134,536
<b>Total Non-Operating Inc/Exp</b>		<b>1,004,587</b>	<b>(11,211)</b>	<b>1,015,799</b>	<b>3,170,263</b>	<b>(77,730)</b>	<b>3,247,993</b>	<b>(155,460)</b>	<b>3,102,995</b>	<b>3,258,455</b>	<b>(1,060,311)</b>	<b>2,087,197</b>
<b>Net Income</b>		<b>942,425</b>	<b>(75,440)</b>	<b>1,017,865</b>	<b>2,831,952</b>	<b>(406,134)</b>	<b>3,238,086</b>	<b>(782,884)</b>	<b>2,435,673</b>	<b>3,218,557</b>	<b>(1,760,314)</b>	<b>1,420,480</b>

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

	June YTD				Annual		
	2016	Last Year	Var \$	Var %	Last Year	Var \$	Var %
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	\$2,950,471	\$3,306,739	(\$356,268)	(11.%)	\$4,328,156	(\$1,377,684)	(32.%)
Investments	59,692,125	53,639,504	6,052,621	11.%	51,980,601	7,711,524	15.%
Accounts Receivable	11,004	0	11,004	0.%	332,390	(321,386)	(97.%)
Prepaid Expenses	2,345	4,074	(1,729)	(42.%)	0	2,345	0.%
<b>Total Current Assets</b>	<b>62,655,945</b>	<b>56,950,317</b>	<b>5,705,628</b>	<b>10.%</b>	<b>56,641,147</b>	<b>6,014,798</b>	<b>11.%</b>
<b>Long Term Assets</b>							
PP&E	910,467	910,467	0	0.%	910,467	0	0.%
Less Accum. Depreciation	(439,589)	(301,816)	(137,774)	46.%	(372,321)	(67,268)	18.%
<b>Total Long Term Assets</b>	<b>470,877</b>	<b>608,651</b>	<b>(137,774)</b>	<b>(23.%)</b>	<b>538,146</b>	<b>(67,268)</b>	<b>(13.%)</b>
<b>Total Assets</b>	<b>\$63,126,823</b>	<b>\$57,558,968</b>	<b>\$5,567,855</b>	<b>10.%</b>	<b>\$57,179,292</b>	<b>\$5,947,530</b>	<b>10.%</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Accounts Payable	115,011	65,855	(49,156)	(75.%)	51,495	(63,516)	(123.%)
Scholarship Providers	57,375,638	53,568,983	(3,806,655)	(7.%)	54,323,576	(3,052,062)	(6.%)
<b>Total Current Liabilities</b>	<b>57,490,649</b>	<b>53,634,838</b>	<b>3,855,811</b>	<b>7.%</b>	<b>54,375,070</b>	<b>3,115,578</b>	<b>6.%</b>
<b>Total Liabilities</b>	<b>57,490,649</b>	<b>53,634,838</b>	<b>3,855,811</b>	<b>7.%</b>	<b>54,375,070</b>	<b>3,115,578</b>	<b>6.%</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	2,831,952	(640,407)	(3,472,358)	542.%	(1,760,314)	(4,592,266)	261.%
<b>Total Net Assets</b>	<b>5,636,174</b>	<b>3,924,130</b>	<b>1,712,044</b>	<b>44.%</b>	<b>2,804,222</b>	<b>2,831,952</b>	<b>101.%</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$63,126,823</b>	<b>\$57,558,968</b>	<b>\$5,567,855</b>	<b>10.%</b>	<b>\$57,179,292</b>	<b>\$5,947,530</b>	<b>10.%</b>

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

Beginning Cash Balance	56,308,757
Change in Net Assets	2,831,952
Plus Non-Cash Items:	
Depreciation and Amortization	67,268
Loss/(Gain) Sale of Assets	-
Cash Flow from Operating Activities	
(Increase) Decrease in Accounts Receivable	6,339,119
(Increase) Decrease in Inventory	-
(Increase) Decrease in Prepaid Expenses & Other	(2,345)
Increase (Decrease) Accounts Payable	63,516
Increase (Decrease) Accrued Liabilities	(2,965,671)
Increase (Decrease) in Deferred Revenue	-
(Increase) Decrease in Long Term Assets	-
(Increase) Decrease Temp Restricted Funds	-
Total Adjustments	3,434,620
Net Cash from Operating Activities	6,333,840
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	6,333,840
Ending Cash Balance	62,642,597
Balance per GL	62,642,597

**Smart Corporation**  
**Report of Changes in Cash**  
**06/30/2016**

	<b>TOTAL</b>	January 1	February 2	March 3	April 4	May 5	June 6	July 7
Beginning Cash Balance		3,428,146	4,067,596	3,807,113	2,140,273	2,034,911	2,798,857	2,950,471
Change in Cash								
Wells Fargo	(290.86)	(145)	(146)	(151)	(146)	(148)	(146)	-
Frost - Cash Inflow								
Scholarship Provider Deposits	790,184.59	378,638	411,547	536,679	653,528	1,092,184	1,127,599	
Frost - Cash Outflow								
Operating Expenses	(26,114.70)	-	(26,115)	(29,132)	(614,222)	(27,482)	(523,381)	
Scholarship Recipient Payments	(663,403.42)	(514,268)	(149,136)	(99,654)	491,478	(274,607)	73,542	
Intercompany Payments	(68,311.26)	(42,311)	(26,000)	(26,000)	(26,000)	(26,000)	(26,000)	
Cash Equivalents	486,902.96	957,537	(470,634)	(2,048,582)	-	-	-	
Investment Transfers	(140,000.00)	(140,000)	-	-	(610,000)	-	(500,000)	
<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>(105,362)</b>	<b>763,947</b>	<b>151,614</b>	<b>-</b>
Ending Cash Balance		4,067,596	3,807,113	2,140,273	2,034,911	2,798,857	2,950,471	

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

	Actuals						Jul	Aug	Sep	Oct	Nov	FORECAST	ACTUAL+FORECAST
	Jan	Feb	Mar	Apr	May	Jun						Dec	TOTAL
<b>Income</b>													
5010 Investment Income from Interest	\$94,157	\$93,496	\$93,253	\$91,829	\$93,321	\$93,747	\$0	\$0	\$0	\$0	\$0	\$0	\$559,803
5020 Investment Realized Gains (Loss)	6,425	32,157	113,791	119,991	59,984	156,734	0	0	0	0	0	0	489,081
5030 Investment Unrealized Gains (Loss)	(438,942)	274,299	1,786,275	339,222	(87,525)	765,318	0	0	0	0	0	0	2,638,647
<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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,687,532</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	0	0	0	0	0	0	9,827
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	49,195	50,182	59,253	49,195	50,138	59,354	618,976
6900 Bank and Credit Card Fees	145	895	628	661	930	800	650	650	650	650	650	650	7,959
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	0	0	0	0	0	82
6970 Postage and Freight	0	0	0	0	0	0	75	75	75	75	75	75	450
7000 Travel Expenses	0	0	881	804	455	0	0	2,500	0	0	2,500	0	7,140
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	0	0	0	0	10,482
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>61,522</b>	<b>65,009</b>	<b>71,580</b>	<b>61,522</b>	<b>64,965</b>	<b>71,682</b>	<b>1,251,859</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>(61,522)</b>	<b>(65,009)</b>	<b>(71,580)</b>	<b>(61,522)</b>	<b>(64,965)</b>	<b>(71,682)</b>	<b>2,435,673</b>