



UNAUDITED  
FINANCIAL  
STATEMENT

JUNE 2017

**SMART CORPORATION**  
**EXECUTIVE SUMMARY**  
**FOR THE MONTH ENDING June 30, 2017**  
(in thousands)

**INCOME STATEMENT**

	Year to Date			Annual	
	Actual	Budget	Variance	Forecast	Budget
<b>INCOME</b>					
Investment Income	\$ 655	\$ -	\$ 655	\$ 655	\$ -
Unrealized Gains (Losses)	1,783	-	1,783	1,783	-
Realized Gains (Losses)	358	-	358	358	-
Charitable Contributions	-	-	-	-	-
<b>TOTAL INCOME</b>	<b>2,795</b>	<b>-</b>	<b>2,795</b>	<b>2,795</b>	<b>-</b>
<b>EXPENSE</b>					
Consulting & Professional Fees	0	-	(0)	0	-
Professional Fee - Fiera Capital	4	4	0	7	8
Professional Fee - Logan	52	49	(3)	104	99
Professional Fee-Asset Strategy	48	44	(4)	96	89
Professional Fee - BNY	15	15	(0)	31	30
Professional Fee - M&T	4	5	1	9	10
Professional Fee - USBC	238	238	(0)	475	475
Other	18	23	5	49	40
<b>ADMINISTRATIVE EXPENSE</b>	<b>380</b>	<b>378</b>	<b>(2)</b>	<b>771</b>	<b>749</b>
Earnings Allocation to Providers	1,000	-	(1,000)	1,000	-
Depreciation	67	67	(0)	135	135
<b>TOTAL EXPENSE</b>	<b>1,447</b>	<b>445</b>	<b>(1,002)</b>	<b>1,906</b>	<b>884</b>
<b>NET INCOME</b>	<b>\$ 1,349</b>	<b>\$ (445)</b>	<b>\$ 1,794</b>	<b>\$ 890</b>	<b>\$ (884)</b>

**SCHOLARSHIP LIABILITY/INVESTMENT ACTIVITY**

	Balance 5/31/17	Deposits	Disbursements	Balance 6/30/17
<b>SCHOLARSHIP LIABILITY</b>	\$ 61,194	\$ 1,416	\$ (360)	\$ 62,250

	Balance 5/31/17	Deposits/ Withdrawals	Disbursements Gains(Losses)	Balance 6/30/17	% of Portfolio
<b>CASH &amp; INVESTMENTS</b>					
<b>CASH (1)</b>	\$ 2,188	(84)	(161)	\$ 1,943	
<b>INVESTMENTS</b>	65,428	1,200	128	\$ 66,756	
<b>TOTAL CASH/INVESTMENTS</b>	\$ 67,616	\$ 1,116	\$ (33)	\$ 68,699	

\* Approximately 15% Equities and 85% Fixed Income

<b>RETURN ON INVESTMENTS</b>	<b>BNY Mellon</b>	<b>Wilmington</b>	<b>Total / YTD Mths</b>	<b>Avg Balance 6/30/17</b>
Average Investment Base Year to Date	46,512	17,782	64,294	\$ 64,294
Investment Income to Date				\$ 2,795
<b>Average Return on Investment</b>				<b>4.35%</b>
Earnings Net of Expenses				\$ 1,349
<b>Avg Return on Investment net of Investment expenses</b>				<b>3.79%</b>
<b>Average Return on Investment net of Investment expenses excluding unrealized gains/losses</b>				<b>1.01%</b>

SMART Scholarship Funding Corp  
Statement of Changes in Net Assets by Account  
For the Six Months Ending June 30, 2017  
Amounts in Whole Units

	JUNE			YEAR TO DATE				ANNUAL		PRIOR YEAR	PRIOR MONTH
	ACTUAL	FORECAST	VARIANCE	ACTUAL	BUDGET	VARIANCE	BUDGET	FORECAST	VARIANCE	ACTUAL	FORECAST
<b>Expenses</b>											
6100	Uniforms	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176	\$0
6300	Food and Beverage Costs	0	0	0	0	150	(150)	300	300	0	300
6800	Legal Fees	0	3,000	(3,000)	0	5,000	(5,000)	10,000	10,000	0	11,492
6810	Audit Fees	0	0	0	7,800	7,500	300	7,500	10,300	2,800	10,100
6820	Consulting and Professional Fee	0	0	0	40	0	40	0	40	40	39
6820	Professional Fee-Fiera Capt	623	623	0	3,591	3,750	(159)	7,500	7,341	(159)	6,864
6820	Professional Fee-Logan	8,678	8,678	0	52,070	49,250	2,820	98,500	104,140	5,640	99,780
6820	Professional Fee-Asset Strategy	7,918	7,918	0	48,366	44,250	4,116	88,500	95,872	7,372	89,956
6820	Professional Fee-BNY	7,175	8,024	(849)	15,151	15,000	151	30,000	31,151	1,151	33,211
6820	Professional Fee-M&T	1,705	2,600	(895)	4,304	5,000	(696)	10,000	9,105	(895)	8,755
6820	Professional Fee-USBC	42,599	39,583	3,016	237,973	237,500	473	475,000	475,000	0	400,000
6900	Bank and Credit Card Fees	2,443	700	1,743	7,449	4,200	3,249	8,400	14,199	5,799	9,453
6930	Office Supplies Cost	0	0	0	25	0	25	0	25	25	74
6950	Printing Costs	0	0	0	0	0	0	0	0	0	108
7000	Travel Expenses	0	2,000	(2,000)	25	4,000	(3,975)	8,850	8,850	0	5,605
7010	Meals and Entertainment Costs	138	0	138	154	0	154	0	154	154	0
7300	Insurance Expense	389	389	0	2,337	2,345	(8)	4,689	4,673	(16)	4,689
7620	Miscellaneous Expense	0	0	0	250	0	250	0	250	250	18,146
7800	License Fees	0	0	0	10	0	10	0	10	10	10
<b>Total Expenses</b>		<b>71,669</b>	<b>73,516</b>	<b>(1,847)</b>	<b>379,544</b>	<b>377,944</b>	<b>1,600</b>	<b>749,239</b>	<b>771,409</b>	<b>22,170</b>	<b>698,458</b>
<b>Operating Income/(loss)</b>		<b>(71,669)</b>	<b>(73,516)</b>	<b>1,847</b>	<b>(379,544)</b>	<b>(377,944)</b>	<b>(1,600)</b>	<b>(749,239)</b>	<b>(771,409)</b>	<b>(22,170)</b>	<b>(698,458)</b>
<b>Non-Operating Income/Expense</b>											
5010	Investment Income from Interest	111,391	0	111,391	654,518	0	654,518	0	654,518	654,518	1,142,071
5020	Investment Realized Gains (Loss)	131,695	0	131,695	357,760	0	357,760	0	357,760	357,760	771,297
5030	Investment Unrealized Gains (Loss)	(106,334)	0	(106,334)	1,783,193	0	1,783,193	0	1,783,193	1,783,193	1,938,754
7630	Earnings Allocations to Providers	0	0	0	1,000,000	0	1,000,000	0	1,000,000	1,000,000	450,000
9000	Depreciation and Amortization Expense	11,211	11,211	0	67,268	67,266	2	134,532	134,536	4	134,536
<b>Total Non-Operating Inc/Exp</b>		<b>125,541</b>	<b>(11,211)</b>	<b>136,752</b>	<b>1,728,203</b>	<b>(67,266)</b>	<b>1,795,469</b>	<b>(134,532)</b>	<b>1,660,934</b>	<b>1,795,466</b>	<b>3,267,585</b>
<b>Net Income</b>		<b>53,872</b>	<b>(84,727)</b>	<b>138,599</b>	<b>1,348,659</b>	<b>(445,210)</b>	<b>1,793,869</b>	<b>(883,771)</b>	<b>889,525</b>	<b>1,773,296</b>	<b>2,569,127</b>

SMART Scholarship Funding Corp  
Balance Sheet  
For the Six Months Ending June 30, 2017  
Amounts in Whole Units

	June YTD				Annual		
	2017	Last Year	Var \$	Var %	Last Year	Var \$	Var %
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	\$1,942,955	\$2,950,471	(\$1,007,516)	(34.%)	\$1,211,140	\$731,815	60.%
Investments	66,755,852	59,692,125	7,063,727	12.%	61,979,836	4,776,016	8.%
Accounts Receivable	1,200	11,004	(9,804)	(89.%)	3,195	(1,995)	(62.%)
Prepaid Expenses	2,336	2,345	(8)	(0.%)	0	2,336	0.%
<b>Total Current Assets</b>	<b>68,702,343</b>	<b>62,655,945</b>	<b>6,046,398</b>	<b>10.%</b>	<b>63,194,171</b>	<b>5,508,173</b>	<b>9.%</b>
<b>Long Term Assets</b>							
PP&E	910,467	910,467	0	0.%	910,467	0	0.%
Less Accum. Depreciation	(574,126)	(439,589)	(134,536)	31.%	(506,857)	(67,268)	13.%
<b>Total Long Term Assets</b>	<b>336,341</b>	<b>470,877</b>	<b>(134,536)</b>	<b>(29.%)</b>	<b>403,609</b>	<b>(67,268)</b>	<b>(17.%)</b>
<b>Total Assets</b>	<b>\$69,038,684</b>	<b>\$63,126,823</b>	<b>\$5,911,862</b>	<b>9.%</b>	<b>\$63,597,780</b>	<b>\$5,440,904</b>	<b>9.%</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Accounts Payable	66,295	115,011	48,715	42.%	54,124	(12,172)	(22.%)
Scholarship Providers	62,250,381	57,375,638	(4,874,743)	(8.%)	58,170,307	(4,080,074)	(7.%)
<b>Total Current Liabilities</b>	<b>62,316,676</b>	<b>57,490,649</b>	<b>4,826,027</b>	<b>8.%</b>	<b>58,224,430</b>	<b>4,092,246</b>	<b>7.%</b>
<b>Total Liabilities</b>	<b>62,316,676</b>	<b>57,490,649</b>	<b>4,826,027</b>	<b>8.%</b>	<b>58,224,430</b>	<b>4,092,246</b>	<b>7.%</b>
<b>NET ASSETS</b>							
Net Assets - Beginning	5,373,350	2,804,222	(2,569,127)	(92.%)	2,804,222	(2,569,127)	(92.%)
Change in Net Assets - Year to Date	1,348,659	2,831,952	1,483,293	52.%	2,569,127	1,220,469	48.%
<b>Total Net Assets</b>	<b>6,722,008</b>	<b>5,636,174</b>	<b>1,085,834</b>	<b>19.%</b>	<b>5,373,350</b>	<b>1,348,659</b>	<b>25.%</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$69,038,684</b>	<b>\$63,126,823</b>	<b>\$5,911,862</b>	<b>9.%</b>	<b>\$63,597,780</b>	<b>\$5,440,904</b>	<b>9.%</b>

Smart Corporation  
Statement of Cash Flow  
For the Month Ending June 30, 2017

Beginning Cash Balance	63,190,976
Change in Net Assets	1,348,659
Plus Non-Cash Items:	
Depreciation and Amortization	67,268
Loss/(Gain) Sale of Assets	-
Cash Flow from Operating Activities	
(Increase) Decrease in Accounts Receivable	8,095,601
(Increase) Decrease in Inventory	-
(Increase) Decrease in Prepaid Expenses & Other	(2,336)
Increase (Decrease) Accounts Payable	12,172
Increase (Decrease) Accrued Liabilities	(4,013,531)
Increase (Decrease) in Deferred Revenue	-
(Increase) Decrease in Long Term Assets	-
(Increase) Decrease Temp Restricted Funds	-
Total Adjustments	<u>4,091,905</u>
Net Cash from Operating Activities	<u>5,507,832</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	5,507,832
Ending Cash Balance	<u>68,698,807</u>
Balance per GL	<u><u>68,698,807</u></u>

**SMART Corporation**  
**Report of Changes in Cash**  
**June 30, 2017**

	<b>TOTAL</b>	January 1	February 2	March 3	April 4	May 5	June 6
Beginning Cash Balance		1,211,140	1,113,564	1,317,520	1,613,919	1,827,871	2,187,541
Change in Cash							
Wells Fargo	(524,857)	(146)	(145)	(200,154)	199,855	(524,064)	(203)
Frost - Cash Inflow							
Scholarship Provider Deposits	4,578,364	428,019	364,620	544,398	624,612	1,200,340	1,416,376
Bank Transfer from Wells Fargo	523,973	-	-	200,000	(200,000)	523,973	-
Frost - Cash Outflow							
Operating Expenses	(120,380)	(230)	(27,965)	(28,138)	(9,785)	(130)	(54,132)
Scholarship Recipient Payments	(1,487,785)	(485,635)	(132,553)	(140,540)	(111,147)	(250,865)	(367,044)
Intercompany Payments	(237,500)	(39,583)	-	(79,167)	(39,583)	(39,583)	(39,583)
Cash Equivalents	-	-	-	-	-	-	-
Investment Transfers	(2,000,000)	-	-	-	(250,000)	(550,000)	(1,200,000)
<b>Total Change in Cash</b>	<b>731,815</b>	<b>(97,576)</b>	<b>203,956</b>	<b>296,399</b>	<b>213,951</b>	<b>359,670</b>	<b>(244,586)</b>
Ending Cash Balance		1,113,564	1,317,520	1,613,919	1,827,871	2,187,541	1,942,955

SMART Scholarship Funding Corp  
Income Statement Forecast  
For the Six Months Ending June 30, 2017  
Amounts in Whole Units

	ACTUALS						FORECAST						ACTUAL+FORECAST
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
<b>Income</b>													
5010 Investment Income from Interest	\$107,496	\$107,473	\$109,281	\$108,988	\$109,888	\$111,391	\$0	\$0	\$0	\$0	\$0	\$0	\$654,518
5020 Investment Realized Gains (Loss)	(3,058)	51,452	13,252	71,306	93,114	131,695	0	0	0	0	0	0	357,760
5030 Investment Unrealized Gains (Loss)	364,558	639,090	20,563	444,212	421,104	(106,334)	0	0	0	0	0	0	1,783,193
<b>Total Income</b>	<b>468,996</b>	<b>798,015</b>	<b>143,095</b>	<b>624,506</b>	<b>624,106</b>	<b>136,752</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,795,471</b>
<b>Expenses</b>													
6300 Food and Beverage Costs	0	0	0	0	0	0	300	0	0	0	0	0	300
6800 Legal Fees	0	0	0	0	0	0	3,000	0	3,000	0	0	4,000	10,000
6810 Audit Fees	0	2,800	0	5,000	0	0	0	0	0	2,500	0	0	10,300
6820 Consulting and Professional Fee	55,860	55,715	67,659	55,187	58,376	68,698	56,804	56,804	67,404	57,793	57,752	64,596	722,649
6900 Bank and Credit Card Fees	775	1,320	850	1,139	922	2,443	1,700	1,950	1,000	700	700	700	14,199
6930 Office Supplies Cost	113	0	(113)	0	25	0	0	0	0	0	0	0	25
7000 Travel Expenses	0	0	0	0	25	0	2,000	2,000	2,000	825	0	2,000	8,850
7010 Meals and Entertainment Costs	0	0	0	0	16	138	0	0	0	0	0	0	154
7300 Insurance Expense	389	389	389	389	389	389	389	389	389	389	389	389	4,673
7620 Miscellaneous Expense	0	0	0	250	0	0	0	0	0	0	0	0	250
7630 Earnings Allocations to Provide	0	0	0	0	1,000,000	0	0	0	0	0	0	0	1,000,000
7800 License Fees	0	0	0	10	0	0	0	0	0	0	0	0	10
9000 Depreciation and Amortization Expense	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>68,348</b>	<b>71,435</b>	<b>79,997</b>	<b>73,187</b>	<b>1,070,964</b>	<b>82,880</b>	<b>75,405</b>	<b>72,355</b>	<b>85,005</b>	<b>73,418</b>	<b>70,053</b>	<b>82,897</b>	<b>1,905,946</b>
<b>Net Income/(loss)</b>	<b>400,648</b>	<b>726,580</b>	<b>63,098</b>	<b>551,318</b>	<b>(446,858)</b>	<b>53,872</b>	<b>(75,405)</b>	<b>(72,355)</b>	<b>(85,005)</b>	<b>(73,418)</b>	<b>(70,053)</b>	<b>(82,897)</b>	<b>889,525</b>