



**UNAUDITED
FINANCIAL
STATEMENT**

JUNE 2015

SMART CORPORATION
EXECUTIVE SUMMARY
FOR THE MONTH ENDING JUNE 30, 2015
(in thousands)

INCOME STATEMENT

	Year to Date			Annual	
	Actual	Budget	Variance	Forecast	Budget
INCOME					
Investment Income	\$ 376	\$ -	\$ 376	\$ 376	\$ -
Unrealized Gains (Losses)	(163)		(163)	(163)	-
Realized Gains (Losses)	(38)		(38)	(38)	-
Charitable Contributions	-		-	-	-
TOTAL INCOME	175	-	175	175	-
EXPENSE					
Consulting & Professional Fees	10	27	17	13	54
Professional Fee - Logan	44	66	22	93	133
Professional Fee-Asset Strategy	40	41	1	83	82
Professional Fee - BNY	11	11	-	22	22
Professional Fee - USBC	161	200	39	392	400
Other	80	15	(65)	88	23
ADMINISTRATIVE EXPENSE	346	360	14	691	714
Earnings Allocation to Providers	400	-	(400)	400	-
Depreciation	69	69	-	138	138
TOTAL EXPENSE	815	429	(386)	1,229	852
NET INCOME	\$ (640)	\$ (429)	\$ (211)	\$ (1,054)	\$ (852)

SCHOLARSHIP LIABILITY/INVESTMENT ACTIVITY

	Balance 6/1/15	Deposits	Disbursements	Balance 6/30/15
SCHOLARSHIP LIABILITY	\$ 52,543	\$ 1,321	\$ (295)	\$ 53,569

	Balance 6/1/15	Net Deposits	Disbursements Gains(Losses)	Balance 6/30/15	% of Portfolio
CASH & INVESTMENTS					
CASH (1)	\$ 2,992	1,602	(1,287)	\$ 3,307	
INVESTMENTS	53,857	395	(612)	\$ 53,640	
* Approximately 15% Equities and 85% Fixed Income					
TOTAL CASH/INVESTMENTS	\$ 56,849	\$ 1,997	\$ (1,899)	\$ 56,947	

RETURN ON INVESTMENTS	BYN Mellon	Wilmington	Total / YTD Mths	Avg Balance 6/30/15
Average Investment Base Year to Date	37,938	15,199	53,137	\$ 53,137
Investment Income to Date				\$ 175
Average Return on Investment				0.33%
Earnings Net of Expenses				\$ (640)
Avg Return on Investment net of Investment expenses				-0.17%
Average Return on Investment net of Investment expenses excluding unrealized gains/losses				0.14%

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

	June			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	131	1,490	(1,360)	2,613	1,500	1,113	1,500	2,613	1,113	451	1,500
6810 Audit Fees	0	0	0	10,000	5,500	4,500	6,500	10,000	3,500	6,500	6,500
6820 Consulting and Professional Fee	0	2,500	(2,500)	10,208	27,132	(16,924)	54,264	12,708	(41,556)	329,935	0
6820 Professional Fee-Logan	7,460	8,113	(653)	43,978	66,360	(22,382)	132,720	93,511	(39,209)	0	145,089
6820 Professional Fee-Asset Strategy	6,683	7,038	(355)	40,360	41,264	(904)	82,528	82,588	60	0	141,389
6820 Professional Fee-BNY	2,097	1,805	292	10,967	10,827	139	21,651	21,790	139	0	25,260
6820 Professional Fee-USBC	28,608	35,770	(7,162)	161,345	200,000	(38,655)	400,000	392,838	(7,162)	0	409,255
6900 Bank and Credit Card Fees	0	150	(150)	704	900	(196)	1,800	1,650	(150)	1,761	1,800
6950 Printing Costs	0	100	(100)	1,151	600	551	1,200	2,051	851	1,251	1,200
6970 Postage and Freight	0	75	(75)	0	450	(450)	900	675	(225)	885	900
7000 Travel Expenses	1,399	0	1,399	2,440	1,500	940	3,000	3,940	940	2,495	3,000
7300 Insurance Expense	668	677	(9)	4,051	4,062	(11)	8,125	8,141	16	9,709	8,125
7620 Miscellaneous Expense	40,427	0	40,427	58,542	0	58,542	0	58,542	58,542	0	0
Total Expenses	87,471	57,718	29,753	346,359	360,096	(13,737)	714,188	691,048	(23,140)	352,987	744,018
Operating Income/(loss)	(87,471)	(57,718)	(29,753)	(346,359)	(360,096)	13,737	(714,188)	(691,048)	23,140	(58,963)	(744,018)
Non-Operating Income/Expense											
5010 Investment Income from Interest	61,274	0	61,274	375,614	0	375,614	0	375,614	375,614	815,981	0
5020 Investment Realized Gains (Loss)	(45,820)	0	(45,820)	(37,514)	0	(37,514)	0	(37,514)	(37,514)	378,407	0
5030 Investment Unrealized Gains (Loss)	(627,731)	0	(627,731)	(163,285)	0	(163,285)	0	(163,285)	(163,285)	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	68,862	68,862	0	137,724	137,724	0	137,232	137,724
Total Non-Operating Inc/Exp	(623,754)	(11,477)	(612,277)	(294,047)	(68,862)	(225,185)	(137,724)	(362,909)	(225,185)	2,034,846	(137,724)
Net Income	(711,225)	(69,195)	(642,031)	(640,407)	(428,958)	(211,449)	(851,912)	(1,053,957)	(202,045)	1,975,882	(881,742)

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

	June YTD				Annual		
	2015	Last Year	Var \$	Var %	Last Year	Var \$	Var %
ASSETS							
Current Assets							
Cash and cash equivalents	\$3,306,739	\$2,745,607	\$561,132	20.%	\$5,454,829	(\$2,148,090)	(39.%)
Investments	53,639,504	50,185,313	3,454,192	7.%	48,471,033	5,168,471	11.%
Accounts Receivable	0	66,591	(66,591)	(100.%)	453,112	(453,112)	(100.%)
Prepaid Expenses	4,074	1,674	2,400	143.%	0	4,074	0.%
Total Current Assets	56,950,317	52,999,184	3,951,133	7.%	54,378,974	2,571,343	5.%
Long Term Assets							
PP&E	910,467	910,467	0	0.%	910,467	0	0.%
Less Accum. Depreciation	(301,816)	(164,091)	(137,725)	84.%	(232,953)	(68,862)	30.%
Total Long Term Assets	608,651	746,376	(137,725)	(18.%)	677,513	(68,862)	(10.%)
Total Assets	\$57,558,968	\$53,745,560	\$3,813,408	7.%	\$55,056,488	\$2,502,480	5.%
LIABILITIES							
Current Liabilities							
Accounts Payable	65,855	165,494	99,639	60.%	44,165	(21,690)	(49.%)
Scholarship Providers	53,568,983	49,150,690	(4,418,293)	(9.%)	50,447,786	(3,121,197)	(6.%)
Total Current Liabilities	53,634,838	49,316,184	4,318,655	9.%	50,491,951	3,142,887	6.%
Total Liabilities	53,634,838	49,316,184	4,318,655	9.%	50,491,951	3,142,887	6.%
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	(640,407)	1,840,722	2,481,129	135.%	1,975,882	2,616,289	132.%
Total Net Assets	3,924,130	4,429,376	(505,246)	(11.%)	4,564,536	(640,407)	(14.%)
Total Liabilities & Net Assets	\$57,558,968	\$53,745,560	\$3,813,408	7.%	\$55,056,488	\$2,502,480	5.%

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

Beginning Cash Balance	53,925,862
Change in Net Assets	(640,407)
Plus Non-Cash Items:	
Depreciation and Amortization	68,862
Loss/(Gain) Sale of Assets	-
Cash Flow from Operating Activities	
(Increase) Decrease in Accounts Receivable	453,112
(Increase) Decrease in Inventory	-
(Increase) Decrease in Prepaid Expenses & Other	(4,074)
Increase (Decrease) Accounts Payable	21,690
Increase (Decrease) Accrued Liabilities	3,121,197
Increase (Decrease) in Deferred Revenue	-
(Increase) Decrease in Long Term Assets	-
(Increase) Decrease Temp Restricted Funds	-
Total Adjustments	<u>3,591,925</u>
Net Cash from Operating Activities	<u>3,020,381</u>
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	3,020,381
Ending Cash Balance	<u>56,946,243</u>
Balance per GL	<u><u>56,946,243</u></u>

Smart Corporation
Report of Changes in Cash
06/30/2015

	TOTAL	January 1	February 2	March 3	April 4	May 5	June 6
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
Change in Cash							
Wells Fargo	(700.37)	(135.37)	(135.66)	(145.18)	(135.67)	(148.49)	-
Frost - Cash Inflow							
Scholarship Provider Deposits	4,389,310.49	\$348,672	\$446,314	619,367.79	733,194.48	957,195.01	1,284,567.30
Frost - Cash Outflow							
Operating Expenses	(106,349.71)	(9,374.74)	(2,498.00)	(45,898.95)	-	(47,897.47)	(680.55)
Scholarship Recipient Payments	(1,347,882.07)	(415,828.81)	(129,152.43)	(141,288.85)	(164,801.00)	(201,749.53)	(295,061.45)
Intercompany Payments	(274,283.44)	-	-	-	-	-	(274,283.44)
Cash Equivalents	736,396.34	-	1,023,234.76	(519,436.47)	364,841.46	(449,119.83)	316,876.42
Investment Transfers	(3,741,000.00)	-	(1,600,000.00)	(681,000.00)	(143,000.00)	(600,000.00)	(717,000.00)
Total Change in Cash	(344,508.76)	(76,667.19)	(262,237.15)	(768,401.66)	790,099.27	(341,720.31)	314,418.28
Ending Cash Balance		3,574,580.81	3,312,343.66	2,543,942.00	3,334,041.27	2,992,320.96	3,306,739.24

SMART
INCOME STATEMENT FORECAST SMART Scholarship Funding Corp
For the Six Months Ending June 30, 2015
Amounts in Whole Units

	Actuals						FORECAST						ACTUAL+FORECAST TOTAL
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Expenses													
6800 Legal Fees	\$0	\$0	\$10	\$0	\$2,472	\$131	\$0	\$0	\$0	\$0	\$0	\$0	\$2,613
6810 Audit Fees	2,500	0	5,000	0	2,500	0	0	0	0	0	0	0	10,000
6820 Consulting and Professional Fee	4,428	0	5,781	0	0	0	0	2,500	0	0	0	0	12,708
6820 Professional Fee-Logan	6,895	7,981	7,324	7,060	7,258	7,460	8,113	8,113	8,113	8,113	8,113	8,968	93,511
6820 Professional Fee-Asset Strategy	6,222	6,655	6,309	6,309	8,182	6,683	7,038	7,038	7,038	7,038	7,038	7,038	82,588
6820 Professional Fee-BNY	0	0	5,322	1,774	1,774	2,097	1,805	1,805	1,805	1,805	1,805	1,801	21,790
6820 Professional Fee-USBC	16,620	36,364	25,077	25,001	29,674	28,608	35,770	35,770	35,770	42,643	40,770	40,770	392,838
6900 Bank and Credit Card Fees	135	136	145	139	148	0	150	150	150	167	164	165	1,650
6950 Printing Costs	0	0	0	1,107	45	0	100	100	100	200	200	200	2,051
6970 Postage and Freight	0	0	0	0	0	0	75	75	75	150	150	150	675
7000 Travel Expenses	0	0	0	345	697	1,399	0	0	1,500	0	0	0	3,940
7300 Insurance Expense	849	464	690	690	690	668	677	677	677	677	664	718	8,141
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	53,728	56,228	55,228	60,793	58,904	59,810	691,048
Operating Income/(loss)	(37,649)	(51,601)	(55,658)	(42,424)	(71,556)	(87,471)	(53,728)	(56,228)	(55,228)	(60,793)	(58,904)	(59,810)	(691,048)
Non-Operating Income/Expense													
5010 Investment Income from Interest	64,781	63,151	62,172	62,159	62,077	61,274	0	0	0	0	0	0	375,614
5020 Investment Realized Gains (Loss)	53,406	1,042	(10,174)	11,982	(47,949)	(45,820)	0	0	0	0	0	0	(37,514)
5030 Investment Unrealized Gains (Loss)	403,411	81,946	(884)	5,617	(25,644)	(627,731)	0	0	0	0	0	0	(163,285)
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	137,724
Total Non-Operating Inc/Exp	510,121	135,155	40,129	68,773	(424,472)	(623,754)	(11,477)	(11,477)	(11,477)	(11,477)	(11,477)	(11,477)	(362,909)
Net Income	472,472	83,555	(15,529)	26,349	(496,027)	(711,225)	(65,205)	(67,705)	(66,705)	(72,270)	(70,381)	(71,287)	(1,053,957)