

PHONE 800-514-BOWL
FAX 817-385-8260
SMART@BOWL.com



FINANCIAL STATEMENTS

MARCH 2019

SMART CORPORATION

EXECUTIVE SUMMARY

FOR THE MONTH ENDING MARCH 31, 2019

(in thousands)

INCOME STATEMENT

	Year to Date			Annual	
	Actual	Budget	Variance	Forecast	Budget
INCOME					
Investment Income	\$ 432	-	\$ 432	\$ 432	\$ -
Unrealized Gains (Losses)	3,452	-	3,452	3,452	-
Realized Gains (Losses)	371	-	371	371	-
Equity Inv Gains (Losses)	-	-	-	-	-
Charitable Contributions	-	-	-	-	-
TOTAL INCOME	4,255	-	4,255	4,255	-
EXPENSE					
Consulting & Professional Fees	0	30	30	30	30
Professional Fee - Western Asset	7	-	(7)	30	-
Professional Fee - Fiera Capital	-	2	2	-	8
Professional Fee - Logan	24	29	5	105	115
Professional Fee-Asset Strategy	23	27	4	99	106
Professional Fee - BNY	9	8	(0)	34	33
Professional Fee - M&T	2	2	0	7	9
Professional Fee - USBC	129	129	(0)	516	516
Other	25	27	2	123	86
ADMINISTRATIVE EXPENSE	219	254	35	943	903
Earnings Allocation to Providers	-	-	-	-	-
Depreciation	34	22	(11)	135	123
TOTAL EXPENSE	253	276	23	1,078	1,026
NET INCOME	\$ 4,002	\$ (276)	\$ 4,279	\$ 3,177	\$ (1,026)

SCHOLARSHIP LIABILITY/INVESTMENT ACTIVITY

	Balance 2/28/19	Deposits	Disbursements	Balance 3/31/19	
SCHOLARSHIP LIABILITY	\$ 69,249	\$ 645	\$ (145)	\$ 69,750	
CASH & INVESTMENTS					% of Portfolio
CASH (1)	\$ 1,017	644	(214)	\$ 1,446	
INVESTMENTS	75,202	-	1,309	76,511	
* Approximately 15% Equities and 85% Fixed Income					
TOTAL CASH/INVESTMENTS	\$ 76,219	\$ 644	\$ 1,094	\$ 77,957	

RETURN ON INVESTMENTS	Golub LP *	BNY Mellon	Wilmington	Total / YTD Mths	Avg Balance 3/31/19
Average Investment Base Year to Date	1,020	51,865	22,453	75,338	\$ 75,338
Investment Income to Date					\$ 4,255
Average Return on Investment					5.65%
Earnings Net of Investment Expenses					\$ 4,190
Avg Return on Investment net of Investment expenses					5.56%
Average Return on Investment net of Investment expenses excluding unrealized gains/losses					0.98%

* SMART has committed to \$2M in contributions to be called upon at any time. The earnings can be recalled 5 years from date of distribution. The investment principal cannot be liquidated until 2028 at the earliest and potentially not until 2032.

SMART Scholarship Funding Corp
Statement of Changes in Net Assets by Account
For the Three Months Ending March 31, 2019
Amounts in Whole Units

	MARCH			YEAR TO DATE			ANNUAL			PRIOR YEAR	PRIOR MONTH	
	ACTUAL	FORECAST	VARIANCE	ACTUAL	BUDGET	VARIANCE	BUDGET	FORECAST	VARIANCE	ACTUAL	FORECAST	
Expenses												
6090 Training Expense	\$0	\$500	(\$500)	\$0	\$500	(\$500)	\$2,000	\$2,000	\$0	\$0	\$2,000	
6300 Food and Beverage Costs	0	0	0	1,150	75	1,075	300	1,375	1,075	A	0	1,375
6800 Legal Fees	85	2,500	(2,416)	85	2,500	(2,416)	10,000	10,000	0		8,468	10,000
6810 Audit Fees	3,000	7,500	(4,500)	3,000	7,500	(4,500)	10,300	13,600	3,300	B	13,600	13,600
6820 Consulting and Professional Fee	0	30,000	(30,000)	37	30,000	(29,963)	30,000	30,037	37		256	30,037
6820 Professional Fee-Western Asset	2,474	2,474	0	7,423	0	7,423	0	29,693	29,693	C	11,566	29,693
6820 Professional Fee-Fiera Capt	0	0	0	0	1,975	(1,975)	7,900	0	(7,900)	C	14,798	0
6820 Professional Fee-Logan	7,912	7,912	0	23,736	28,637	(4,902)	114,550	104,746	(9,803)	C	100,903	104,746
6820 Professional Fee-Asset Strategy	7,658	7,554	105	22,975	26,601	(3,626)	106,405	99,153	(7,253)	C	87,146	98,734
6820 Professional Fee-BNY	8,766	8,000	766	8,766	8,333	433	33,331	33,846	515	C	32,619	32,000
6820 Professional Fee-M&T	1,774	1,500	274	2,079	2,367	(288)	9,469	6,779	(2,689)	C	9,790	6,305
6820 Professional Fee-USBC	43,000	43,000	0	129,000	128,934	66	515,736	516,000	264		475,000	516,000
6900 Bank and Credit Card Fees	5,515	3,000	2,515	12,605	6,000	6,605	24,000	56,605	32,605	D	52,432	52,089
6930 Office Supplies Cost	0	100	(100)	(1)	300	(301)	1,200	899	(301)		142	1,000
6950 Printing Costs	0	0	0	0	0	0	0	0	0		2,619	0
6970 Postage and Freight	29	0	29	29	0	29	0	29	29		0	0
7000 Travel Expenses	0	500	(500)	1,141	1,750	(609)	6,500	6,391	(109)		2,455	6,391
7010 Meals and Entertainment Costs	0	0	0	528	700	(172)	2,200	2,028	(172)		537	2,028
7020 Lodging	0	117	(117)	2,059	1,400	659	4,350	5,126	776		3,388	5,126
7110 Marketing and Promotions Expense	0	0	0	3,237	5,000	(1,763)	20,000	20,000	0		0	20,000
7300 Insurance Expense	468	398	69	1,264	1,172	92	4,689	5,056	367		6,067	4,778
7620 Miscellaneous Expense	0	0	0	0	0	0	0	0	0		(36,054)	0
7800 License Fees	0	0	0	0	0	0	10	10	0		0	10
Total Expenses	80,681	115,055	(34,373)	219,113	253,745	(34,632)	902,940	943,373	40,433		785,732	935,913
Operating Income/(loss)	(80,681)	(115,055)	34,373	(219,113)	(253,745)	34,632	(902,940)	(943,373)	(40,433)		(785,732)	(935,913)
Non-Operating Income/Expense												
5010 Investment Income from Interest	146,939	0	146,939	431,684	0	431,684	0	431,684	431,684		1,508,018	284,745
5020 Investment Realized Gains (Loss)	166,640	0	166,640	371,455	0	371,455	0	371,455	371,455		289,011	204,816
5030 Investment Unrealized Gains (Loss)	1,005,568	0	1,005,568	3,452,013	0	3,452,013	0	3,452,013	3,452,013		(3,875,386)	2,446,445
5040 Gain (Loss) on Equity Investment	0	0	0	0	0	0	0	0	0		57,063	11,388
7630 Earnings Allocations to Providers	0	0	0	0	0	0	0	0	0		1,750,000	0
9000 Depreciation and Amortization Expense	11,211	11,211	0	33,634	22,422	11,212	123,321	134,533	11,212	E	134,536	134,533
Total Non-Operating Inc/Exp	1,307,935	(11,211)	1,319,146	4,221,518	(22,422)	4,243,940	(123,321)	4,120,619	4,243,940		(3,905,831)	2,812,861
Net Income	1,227,254	(126,266)	1,353,519	4,002,405	(276,167)	4,278,572	(1,026,261)	3,177,246	4,203,507		(4,691,563)	1,876,948

A: Budget for Food and Beverages Costs for Board Meeting at Summit was understated

B: Budget for Audit fees understated as 2019 fees for 990s increased in November 2018

C: Investment fees redistributed based on the addition of Western Asset and liquidation of Fierra Capital late in Q4 2018

D: Trend from 2018 indicates that Budget for Bank and Credit card fees is understated

E: Budget for Depreciation and amortization expense is understated

SMART Scholarship Funding Corp
Balance Sheet
For the Three Months Ending March 31, 2019
Amounts in Whole Units

	March YTD				Annual		
	2019	Last Year	Var \$	Var %	Last Year	Var \$	Var %
ASSETS							
Current Assets							
Cash and cash equivalents	\$1,445,882	\$1,135,724	\$310,157	27.%	\$970,666	\$475,216	49.%
Investments	76,510,884	69,980,938	6,529,946	9.%	72,266,577	4,244,307	6.%
Accounts Receivable	2,849	3,333	(484)	(15.%)	0	2,849	0.%
Prepaid Expenses	263	3,360	(3,097)	(92.%)	0	263	0.%
Total Current Assets	77,959,878	71,123,355	6,836,523	10.%	73,237,243	4,722,635	6.%
Long Term Assets							
PP&E	910,467	910,467	0	0.%	910,467	0	0.%
Less Accum. Depreciation	(809,564)	(675,028)	(134,536)	20.%	(775,930)	(33,634)	4.%
Total Long Term Assets	100,902	235,439	(134,536)	(57.%)	134,536	(33,634)	(25.%)
Total Assets	\$78,060,780	\$71,358,794	\$6,701,986	9.%	\$73,371,779	\$4,689,000	6.%
LIABILITIES							
Current Liabilities							
Accounts Payable	82,863	61,358	(21,506)	(35.%)	72,832	(10,031)	(14.%)
Scholarship Providers	69,749,741	63,568,551	(6,181,190)	(10.%)	56,524,263	(13,225,478)	(23.%)
Other Accrued Liabilities	0	0	0	0.%	12,548,913	12,548,913	100.%
Total Current Liabilities	69,832,605	63,629,909	6,202,696	10.%	69,146,008	686,596	1.%
Total Liabilities	69,832,605	63,629,909	6,202,696	10.%	69,146,008	686,596	1.%
NET ASSETS							
Net Assets - Beginning	4,225,770	8,917,333	4,691,563	53.%	8,917,334	4,691,564	53.%
Change in Net Assets - Year to Date	4,002,405	(1,188,448)	(5,190,853)	437.%	(4,691,563)	(8,693,968)	185.%
Total Net Assets	8,228,175	7,728,885	499,290	6.%	4,225,771	4,002,404	95.%
Total Liabilities & Net Assets	\$78,060,780	\$71,358,794	\$6,701,986	9.%	\$73,371,779	\$4,689,000	6.%

SMART Scholarship Funding Corp
Statement of Cash Flow
For the Twelve Months Ending March 31, 2019

Beginning Cash Balance	73,237,243
Change in Net Assets	4,002,405
Plus Non-Cash Items:	
Depreciation and Amortization	33,634
Loss/(Gain) Sale of Assets	-
Cash Flow from Operating Activities	
(Increase) Decrease in Accounts Receivable	12,225,612
(Increase) Decrease in Inventory	-
(Increase) Decrease in Prepaid Expenses & Other	(263)
Increase (Decrease) Accounts Payable	10,031
Increase (Decrease) Accrued Liabilities	(11,551,896)
Increase (Decrease) in Deferred Revenue	-
(Increase) Decrease in Long Term Assets	-
(Increase) Decrease Temp Restricted Funds	-
Total Adjustments	<u>683,484</u>
Net Cash from Operating Activities	<u>4,719,524</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	4,719,524
Ending Cash Balance	<u>77,956,766</u>
Balance per GL	<u><u>77,956,766</u></u>

SMART Corporation
Report of Changes in Cash
March 31, 2019

	TOTAL	January 1	February 2	March 3
Beginning Cash Balance		\$ 970,665.78	\$ 821,184.79	\$ 1,016,546.79
Change in Cash				
Frost - Cash Inflow				
Scholarship Provider Deposits	1,566,072	502,041	420,410	643,621
Frost - Cash Outflow				
Operating Expenses	(77,219)	(16,850)	(28,430)	(31,940)
Scholarship Recipient Payments	(884,173)	(595,089)	(150,202)	(138,882)
Intercompany Payments	(129,465)	(39,583)	(46,417)	(43,465)
Cash Equivalents	-	-	-	-
Investment Transfers	-	-	-	-
Total Change in Cash	475,216	(149,481)	195,362	429,335
Ending Cash Balance		\$ 821,184.79	\$ 1,016,546.79	\$ 1,445,881.59

SMART Scholarship Funding Corp
Income Statement Forecast
For the Three Months Ending March 31, 2019
Amounts in Whole Units

	ACTUALS			FORECAST									ACTUAL+FORECAST
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
Income													
5010 Investment Income from Interest	\$119,870	\$164,876	\$146,939	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$431,684
5020 Investment Realized Gains (Loss)	101,285	103,530	166,640	0	0	0	0	0	0	0	0	0	371,455
5030 Investment Unrealized Gains (Loss)	1,802,340	644,105	1,005,568	0	0	0	0	0	0	0	0	0	3,452,013
5040 Gain (Loss) on Equity Investment	11,388	(11,388)	0	0	0	0	0	0	0	0	0	0	0
Total Income	2,034,883	901,123	1,319,146	0	0	0	0	0	0	0	0	0	4,255,152
Expenses													
6090 Training Expense	0	0	0	500	0	500	0	0	500	0	0	500	2,000
6300 Food and Beverage Costs	0	1,150	0	0	75	0	0	75	0	0	75	0	1,375
6800 Legal Fees	0	0	85	0	2,500	0	0	2,500	2,416	0	2,500	0	10,000
6810 Audit Fees	0	0	3,000	0	4,500	0	0	2,800	0	0	3,300	0	13,600
6820 Consulting and Professional Fee	60,949	61,483	71,585	91,165	61,165	70,865	64,007	64,007	73,507	64,007	64,007	73,507	820,255
6900 Bank and Credit Card Fees	3,159	3,930	5,515	6,000	8,000	7,000	4,500	4,500	4,000	4,000	3,000	3,000	56,605
6930 Office Supplies Cost	(1)	0	0	100	100	100	100	100	100	100	100	100	899
6970 Postage and Freight	0	0	29	0	0	0	0	0	0	0	0	0	29
7000 Travel Expenses	589	553	0	1,000	1,250	500	0	1,250	0	0	1,250	0	6,391
7010 Meals and Entertainment Costs	510	18	0	0	800	100	0	300	0	0	300	0	2,028
7020 Lodging	1,133	926	0	0	1,600	267	0	600	0	0	600	0	5,126
7110 Marketing and Promotions Expense	0	3,237	0	0	5,000	10,000	1,763	0	0	0	0	0	20,000
7300 Insurance Expense	398	398	468	421	421	421	421	421	421	421	421	421	5,056
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	134,533
Total Expenses	77,948	82,906	91,893	110,407	96,622	100,964	82,003	87,765	92,155	79,740	86,765	88,740	1,077,906
Net Income/(loss)	1,956,935	818,217	1,227,254	(110,407)	(96,622)	(100,964)	(82,003)	(87,765)	(92,155)	(79,740)	(86,765)	(88,740)	3,177,246