

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



FINANCIAL STATEMENTS

SEPTEMBER 2017

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

INCOME STATEMENT

	Year to Date			Annual	
	Actual	Budget	Variance	Forecast	Budget
INCOME					
Investment Income	\$ 983	\$ -	\$ 983	\$ 983	\$ -
Unrealized Gains (Losses)	2,358	-	2,358	2,358	-
Realized Gains (Losses)	631	-	631	631	-
Charitable Contributions	-	-	-	-	-
TOTAL INCOME	3,973	-	3,973	3,973	-
EXPENSE					
Consulting & Professional Fees	0	-	(0)	0	-
Professional Fee - Fiera Capital	6	6	0	8	8
Professional Fee - Logan	80	74	(6)	107	99
Professional Fee-Asset Strategy	75	66	(8)	100	89
Professional Fee - BNY	23	23	(1)	31	30
Professional Fee - M&T	7	8	1	9	10
Professional Fee - USBC	359	356	(2)	475	475
Other	26	32	6	45	40
ADMINISTRATIVE EXPENSE	575	564	(11)	774	749
Earnings Allocation to Providers	1,000	-	(1,000)	1,000	-
Depreciation	101	101	(0)	135	135
TOTAL EXPENSE	1,675	665	(1,011)	1,909	884
NET INCOME	\$ 2,298	\$ (665)	\$ 2,962	\$ 2,064	\$ (884)

SCHOLARSHIP LIABILITY/INVESTMENT ACTIVITY

	Balance 8/31/17	Deposits	Disbursements	Balance 9/30/17
SCHOLARSHIP LIABILITY	\$ 62,232	\$ 555	\$ (308)	\$ 62,479

	Balance 8/31/17	Deposits/ Withdrawals	Disbursements Gains(Losses)	Balance 9/30/17	% of Portfolio
CASH & INVESTMENTS					
CASH (1)	\$ 1,003	406	(416)	\$ 993	
INVESTMENTS	68,518	150	250	\$ 68,918	
* Approximately 15% Equities and 85% Fixed Income					
TOTAL CASH/INVESTMENTS	\$ 69,521	\$ 556	\$ (165)	\$ 69,911	

RETURN ON INVESTMENTS	Golub LP	BNY Mellon	Wilmington	Total / YTD Mths	Avg Balance 9/30/17
Average Investment Base Year to Date	600	47,155	18,336	66,091	\$ 66,091
Investment Income to Date					\$ 3,973
Average Return on Investment					6.01%
Earnings Net of Expenses					\$ 2,298
Avg Return on Investment net of Investment expenses					5.18%
Average Return on Investment net of Investment expenses excluding unrealized gains/losses					1.61%

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

	September			YEAR TO DATE			ANNUAL			PRIOR YEAR	PRIOR MONTH
	ACTUAL	FORECAST	VARIANCE	ACTUAL	BUDGET	VARIANCE	BUDGET	FORECAST	VARIANCE	ACTUAL	FORECAST
Expenses											
6100 Uniforms	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176	\$0
6300 Food and Beverage Costs	0	0	0	0	225	(225)	300	0	(300)	0	0
6800 Legal Fees	0	3,000	(3,000)	0	7,500	(7,500)	10,000	8,000	(2,000)	11,492	10,000
6810 Audit Fees	0	0	0	7,800	7,500	300	7,500	10,300	2,800	10,100	10,300
6820 Consulting and Professional Fee	0	0	0	40	0	40	0	40	40	39	40
6820 Professional Fee-Fiera Capt	640	640	0	5,553	5,625	(72)	7,500	7,514	14	6,864	7,503
6820 Professional Fee-Logan	8,951	8,951	0	79,740	73,875	5,865	98,500	106,592	8,092	99,780	106,592
6820 Professional Fee-Asset Strategy	8,345	8,345	0	74,681	66,375	8,306	88,500	99,715	11,215	89,956	95,872
6820 Professional Fee-BNY	7,867	8,000	(133)	23,017	22,500	517	30,000	31,017	1,017	33,211	31,151
6820 Professional Fee-M&T	2,507	2,600	(93)	6,811	7,500	(689)	10,000	9,012	(988)	8,755	9,105
6820 Professional Fee-USBC	38,640	39,583	(943)	358,517	356,250	2,267	475,000	475,000	0	400,000	475,000
6900 Bank and Credit Card Fees	1,077	1,000	77	11,934	6,300	5,634	8,400	14,034	5,634	9,453	14,229
6930 Office Supplies Cost	0	0	0	25	0	25	0	25	25	74	25
6950 Printing Costs	0	0	0	0	0	0	0	0	0	108	0
6970 Postage and Freight	0	0	0	46	0	46	0	46	46	0	0
7000 Travel Expenses	1,045	2,000	(955)	1,794	6,850	(5,056)	8,850	7,168	(1,682)	5,605	8,850
7010 Meals and Entertainment Costs	22	0	22	318	0	318	0	318	318	0	218
7020 Lodging	0	0	0	430	0	430	0	430	430	0	214
7300 Insurance Expense	389	389	0	3,505	3,517	(12)	4,689	4,673	(16)	4,689	4,673
7620 Miscellaneous Expense	20	0	20	298	0	298	0	298	298	18,146	278
7800 License Fees	0	0	0	10	0	10	0	10	10	10	10
Total Expenses	69,501	74,508	(5,007)	574,517	564,017	10,501	749,239	774,191	24,952	698,458	774,058
Operating Income/(loss)	(69,501)	(74,508)	5,007	(574,517)	(564,017)	(10,501)	(749,239)	(774,191)	(24,952)	(698,458)	(774,058)
Non-Operating Income/Expense											
5010 Investment Income from Interest	109,465	0	109,465	983,189	0	983,189	0	983,189	983,189	1,142,071	764,164
5020 Investment Realized Gains (Loss)	92,307	0	92,307	631,289	0	631,289	0	631,289	631,289	771,297	440,542
5030 Investment Unrealized Gains (Loss)	58,659	0	58,659	2,358,474	0	2,358,474	0	2,358,474	2,358,474	1,938,754	2,155,859
7630 Earnings Allocations to Providers	0	0	0	1,000,000	0	1,000,000	0	1,000,000	1,000,000	450,000	1,000,000
9000 Depreciation and Amortization Expense	11,211	11,211	0	100,902	100,899	3	134,532	134,536	4	134,536	134,536
Total Non-Operating Inc/Exp	249,219	(11,211)	260,431	2,872,050	(100,899)	2,972,949	(134,532)	2,838,416	2,972,948	3,267,585	2,226,028
Net Income	179,718	(85,719)	265,437	2,297,532	(664,916)	2,962,448	(883,771)	2,064,225	2,947,996	2,569,127	1,451,970

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

	September YTD				Annual		
	2017	Last Year	Var \$	Var %	Last Year	Var \$	Var %
ASSETS							
Current Assets							
Cash and cash equivalents	\$993,474	\$1,843,796	(\$850,321)	(46.%)	\$1,211,140	(\$217,665)	(18.%)
Investments	68,917,959	62,263,774	6,654,185	11.%	61,979,836	6,938,124	11.%
Accounts Receivable	0	98	(98)	(100.%)	3,195	(3,195)	(100.%)
Prepaid Expenses	1,168	1,172	(4)	(0.%)	0	1,168	0.%
Total Current Assets	69,912,602	64,108,840	5,803,762	9.%	63,194,171	6,718,431	11.%
Long Term Assets							
PP&E	910,467	910,467	0	0.%	910,467	0	0.%
Less Accum. Depreciation	(607,760)	(473,223)	(134,536)	28.%	(506,857)	(100,902)	20.%
Total Long Term Assets	302,707	437,243	(134,536)	(31.%)	403,609	(100,902)	(25.%)
Total Assets	\$70,215,308	\$64,546,083	\$5,669,225	9.%	\$63,597,780	\$6,617,529	10.%
LIABILITIES							
Current Liabilities							
Accounts Payable	65,589	70,904	5,315	7.%	54,124	(11,466)	(21.%)
Scholarship Providers	62,478,837	57,897,242	(4,581,595)	(8.%)	58,170,307	(4,308,530)	(7.%)
Total Current Liabilities	62,544,427	57,968,147	4,576,280	8.%	58,224,430	4,319,996	7.%
Total Liabilities	62,544,427	57,968,147	4,576,280	8.%	58,224,430	4,319,996	7.%
NET ASSETS							
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	2,297,532	3,773,715	1,476,182	39.%	2,569,127	271,595	11.%
Total Net Assets	7,670,882	6,577,937	1,092,945	17.%	5,373,350	2,297,532	43.%
Total Liabilities & Net Assets	\$70,215,308	\$64,546,083	\$5,669,225	9.%	\$63,597,780	\$6,617,529	10.%

SMART Corporation
Statement of Cash Flow
For the Month Ending September 30, 2017

Beginning Cash Balance	63,190,976
Change in Net Assets	2,297,532
Plus Non-Cash Items:	
Depreciation and Amortization	100,902
Loss/(Gain) Sale of Assets	-
Cash Flow from Operating Activities	
(Increase) Decrease in Accounts Receivable	7,794,318
(Increase) Decrease in Inventory	-
(Increase) Decrease in Prepaid Expenses & Other	(1,168)
Increase (Decrease) Accounts Payable	11,466
Increase (Decrease) Accrued Liabilities	(3,482,592)
Increase (Decrease) in Deferred Revenue	-
(Increase) Decrease in Long Term Assets	-
(Increase) Decrease Temp Restricted Funds	-
Total Adjustments	<u>4,322,023</u>
Net Cash from Operating Activities	<u>6,720,458</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	6,720,458
Ending Cash Balance	<u>69,911,434</u>
Balance per GL	<u><u>69,911,434</u></u>

SMART Corporation
Report of Changes in Cash
September 30, 2017

	TOTAL	January 1	February 2	March 3	April 4	May 5	June 6	July 7	August 8	September 9
Beginning Cash Balance		1,211,140	1,113,564	1,317,520	1,613,919	1,827,871	2,187,541	1,942,955	1,081,980	1,003,200
Change in Cash										
Wells Fargo	(525,017)	(146)	(145)	(200,154)	199,855	(524,064)	(203)	(160)	-	-
Frost - Cash Inflow										
Scholarship Provider Deposits	7,369,107	428,019	364,620	544,398	624,612	1,200,340	1,416,376	753,739	1,481,204	555,800
Bank Transfer from Wells Fargo	523,973	-	-	200,000	(200,000)	523,973	-	-	-	-
Frost - Cash Outflow										
Operating Expenses	(178,552)	(230)	(27,965)	(28,138)	(9,785)	(130)	(54,132)	(2,270)	(29,791)	(26,111)
Scholarship Recipient Payments	(4,045,617)	(479,325)	(132,553)	(140,540)	(110,563)	(250,865)	(365,844)	(872,700)	(1,385,193)	(308,034)
Intercompany Payments	(366,559)	(45,894)	-	(79,167)	(40,168)	(39,583)	(40,783)	(39,583)	-	(81,381)
Cash Equivalents	-	-	-	-	-	-	-	-	-	-
Investment Transfers	(2,995,000)	-	-	-	(250,000)	(550,000)	(1,200,000)	(700,000)	(145,000)	(150,000)
Total Change in Cash	(217,665.47)	(97,576)	203,956	296,399	213,951	359,670	(244,586)	(860,975)	(78,780)	(9,726)
Ending Cash Balance		1,113,564	1,317,520	1,613,919	1,827,871	2,187,541	1,942,955	1,081,980	1,003,200	993,474

SMART Scholarship Funding Corp
Income Statement Forecast
For the Nine Months Ending September 30, 2017
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	\$107,496	\$107,473	\$109,281	\$108,988	\$109,888	\$111,391	\$109,646	\$109,560	\$109,465	\$0	\$0	\$0	\$983,189
5020 Investment Realized Gains (Loss)	(3,058)	51,452	13,252	71,306	93,114	131,695	82,782	98,441	92,307	0	0	0	631,289
5030 Investment Unrealized Gains (Loss)	364,558	639,090	20,563	444,212	421,104	(106,334)	372,666	143,957	58,659	0	0	0	2,358,474
Total Income	468,996	798,015	143,095	624,506	624,106	136,752	565,094	351,957	260,431	0	0	0	3,972,952
Expenses													
6800 Legal Fees	0	0	0	0	0	0	0	0	0	8,000	0	0	8,000
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	58,106	61,808	66,949	57,674	57,634	65,224	728,890
6900 Bank and Credit Card Fees	775	1,320	850	1,139	922	2,443	1,729	1,678	1,077	700	700	700	14,034
6930 Office Supplies Cost	113	0	(113)	0	25	0	0	0	0	0	0	0	25
6970 Postage and Freight	0	0	0	0	0	0	0	46	0	0	0	0	46
7000 Travel Expenses	0	0	0	0	25	0	540	185	1,045	2,000	1,373	2,000	7,168
7010 Meals and Entertainment Costs	0	0	0	0	16	138	65	78	22	0	0	0	318
7020 Lodging	0	0	0	0	0	0	214	217	0	0	0	0	430
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	28	0	20	0	0	0	298
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
Total Expenses	68,348	71,435	79,997	73,187	1,070,964	82,880	72,282	75,613	80,713	82,475	71,308	79,524	1,908,727
Net Income/(loss)	400,648	726,580	63,098	551,318	(446,858)	53,872	492,812	276,344	179,718	(82,475)	(71,308)	(79,524)	2,064,225