

Minutes

VSAC Finance Committee Meeting

January 23, 2017

**Board Room, VSAC Offices
10 East Allen Street
Winooski, Vermont**

Attendance:

Committee Members Present:	Michael K. Smith (Chair), Beth Pearce and David Coates
Other Board Members Present:	Dodie Mitchell
Staff:	Scott Giles, Mike Stuart, Tom Little, Marilyn Cargill, Bruce Hicken, Patrick Leduc, and Kristi Rocheleau

Mike Smith called the meeting to order at 11:58 a.m. A quorum was declared present, and the Committee proceeded to take up the first item of business.

Approval of Minutes

Upon a motion made by Beth Pearce and seconded by David Coates, the Committee voted unanimously to approve the minutes of the Committee meeting of November 21, 2016, as presented.

FY17 Financial Statements

The Committee reviewed the financials of December 31, 2016, covering the Income Statement, Balance Sheet, and Operating Budget reports. In response to questions, Mike Stuart then walked Members through the private loan funding scenario and the potential effects on the budget. There are no recommended changes to the Operating Budget at this time. Depending on performance, Mike Stuart may provide suggestions at the March Committee meeting.

Bruce Hicken then reviewed the Variance Analysis, highlighting:

Actuals to Actual, Year over Year:

- Wages and benefits is materially decreased year over year, partially due to a change in accounting for June 30 year-end accruals.
- The Borrower Interest Returned expense has decreased due to the lower balance of outstanding student loans and due to the increase in the LIBOR interest rate index from which it is derived.
- The decrease in Bad Debt expense is primarily related to the decreasing balance and seasoning of the Student Loans Receivable, specifically non-guaranteed loans.

Actual to Budget:

- Several categories of the Other General and Administrative line are materially under budget.
- Bond interest paid is \$1.8M over budget year to date.
- Bond Interest Returned decreased due to the same factors which cause bond interest expense to increase.

Private Loan Volume Update

The Committee reviewed the latest private loan performance and volume numbers. Mike Stuart then outlined the timeline for securing future funding. Once cash flow assumptions are collected, Mike Stuart and Scott Giles will report back to the Committee.

Other Business

There being no other business, the Committee adjourned at 12:39 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary