

VSAC Finance Committee Meeting

September 21, 2020

1:30 p.m.

Zoom Videoconference Meeting

Attendance:

Committee Members Present: Beth Pearce (Chair) and John McSoley

Committee Members Absent: Michael Smith

Other Board Members Present: Dodie Mitchell

Staff: Scott Giles, Mike Stuart, Marilyn Cargill, Tom Little, Patrick Leduc, Bruce Hicken, Laurie Oliver and Jodie Ducharme

Chair Beth Pearce called the meeting to order at 1:35 p.m. on the Zoom virtual meeting platform with all present able to hear one another throughout the meeting. With a quorum established, the Committee took up the first order of business.

Approval of Minutes

Upon a motion made by John McSoley and seconded by Beth Pearce, the Committee voted to approve the Committee meeting minutes of May 18, 2020, as presented.

FY20 Financial Statements

The Committee reviewed the FY20 year-end financials, previously distributed, covering the Income Statement, Balance Sheet, Variance Analysis, and Operating Budget. On the revenue side, Mike Stuart pointed out that Scholarships received a new contribution of approximately \$1 million for a new endowment, which was not expected. In relation to expenses, Mike noted that discontinuing the annual Vermont Value Rebate resulted in a decrease in expenses of just under \$1 million.

FY21 Financial Statements through August

The Committee transitioned to the FY21 Income Statement, Balance Sheet, and Operating Budget covering July 1, 2020 through August 31, 2020. Mike Stuart drew attention to the Guarantor revenues lines, noting that since the federal government required the shutoff of collection activities as a result of COVID-19, those line items will all be down. He noted that with the government extending the shutoff through December it may impact the Operating Budget as we assumed a September 30 end to those restrictions. Mike also pointed out that loan rehabilitation has not dropped as much as other Guarantor revenue lines but pointed out that this is likely to be a lagging indicator as borrower payments show in default/collections until they've reached the required 9 on-time payments.

Private Loan Volume Update

Mike Stuart directed the Committee's attention to the New Loan Volume Reports, previously distributed, noting that we are approximately 25% behind last year's volume due to COVID-19 and the uncertainty with colleges and students attending. Mike noted that he will be running a

few projection scenarios for future volume and will have the results for the October strategic planning meetings.

Other Business

There being no other business, the meeting adjourned at 2:07 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary