

## **VSAC Finance Committee Meeting**

**January 25, 2021**

**12:30 p.m.**

### **Zoom Videoconference Meeting**

**Committee Members Present:** Beth Pearce (Chair), John McSoley

**Committee Members Absent:** Michael Smith

**Other Board Members Present:** Dodie Mitchell, Caleb Elder

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

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Chair Beth Pearce called the meeting to order at 12:30 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 Members voted unanimously to approve the minutes of the Committee meeting of November 23, 2020, as presented.*

#### **FY21 Financial Statements**

Mike Stuart walked the Committee through the previously distributed Income Statement and Balance Sheet and responded to Committee member questions. Mike noted that he is monitoring guarantor operations as collection activities were turned off longer than anticipated, from July 1, 2020 through January 1, 2021. Mike pointed out that, on the expense side, healthcare costs are running lower than anticipated. Mike stated that Patrick Leduc will be working with Hickok & Boardman to make sure we understand the reason for the decrease.

Bruce Hicken walked the Committee through the Variance Analysis, highlighting the loan-bond spread and noting that endowment earnings are up, mainly due to the market appreciation of VSAC's scholarship endowment. Bruce noted that VSAC does not generally budget market price changes in its endowment. Bruce also pointed out that Grants and Scholarships revenues are over budget due to unbudgeted revenues received from the State of Vermont for Coronavirus relief. On the expense side, Bruce noted variances as a result of being under budget for travel and other administrative costs across most of our programs. He also highlighted an increase in Grant and Scholarship expenditures due to spending on Coronavirus relief programs.

Mike Stuart directed the Committee's attention the Operating Budget, noting that VSAC paid off two bonds earlier than anticipated, resulting in funds being transferred to the unrestricted balance sheet. Mike also explained the changes in operating revenue resulting from those early repayments and a reduction in expected operating revenue in the guarantor program.

**Private Loan Update**

Mike Stuart directed the Committee's attention to the private loan volume reports, previously distributed, noting that loan volume levels are 25-30% below what was projected. Mike noted that any cash that is not borrowed for the current academic year will be rolled forward so VSAC can borrow less for the next academic year.

Beth Pearce noted the increase to the percentage of student loan borrowers selecting immediate repayment. Mike confirmed that more borrowers are selecting this option as it provides the lowest interest rate and costs them less over the life of the loan.

**May 2021 Student Loan Bond Update**

Mike announced that the Executive Committee is beginning the process for the upcoming new student loan bond. Mike noted that they anticipate a virtual meeting with the rating agencies around the second or third week of February with a target date for issuance around the first week of May.

**Other Business**

There being no other business, the meeting adjourned at 1:08 p.m.

Respectfully submitted,

Michael Stuart, Assistant Secretary