

# **Southeast Compact Commission Finance Committee Meeting**

**June 27, 2022**

The Finance Committee met at the offices of the Georgia Environmental Finance Authority at 47 Trinity Ave SW, Fifth Floor, Atlanta, GA 30334. Committee Chairman Paul Burks, the Commission's Secretary/Treasurer, noted that a quorum of the Committee was present and called the meeting to order at 12:10 p.m.

## **Members Present**

Paul Burks (Chairman), David Turberville, John Williamson, Donna Hodges, Lea Perlas

## **Staff Present**

Tom Hansen

## **Also Present**

Karl Frost, Jack Storton, Debra Shults, Les Foldesi, Bynum Satterwhite (Raymond James), Dan Lavelle (Williams Overman Pierce, LLP)

## **Public Comment Pertaining to Agenda**

No members of the public were present.

## **Approval of Minutes**

Jack Storton made a motion to approve the minutes of the June 1, 2021, committee meeting. David Turberville seconded the motion, and Committee Chairman Burks called for a vote on the motion which was unanimously approved.

## **Staff Report**

Tom Hansen, the Commission's Executive Director, provided a summary of the items on the agenda for the day and an overview of the Commission's budget performance for fiscal year 2022 and difficulties the accountants have had with reporting investment income since Ted Buckner's departure.

## **Review of Financial Status and Management of Commission Funds**

Bynum Satterwhite of Raymond James, the Commission's investment firm, provided a report of the status of the Commission's investments and provided a detailed explanation of the report. Because interest rates are on the rise, Mr. Satterwhite expects the Commission's interest income to exceed its expenses for at least the next fiscal year.

Dan Lavelle, a partner at Williams Overman Pierce, LLP, the Commission's accountant, described the difficulties that were being had with reporting the Commission's investment income. The Commission's former Executive Director, Ted Buckner, would determine the cost basis of the investments from the fair market values reported by Raymond James and was monthly reporting this data (the cost basis) to Williams Overman Pierce, LLP, monthly. The new Executive Director, Tom Hansen, was not tasked with tracking the investments in the same manner as had been done previously, and the accountant was not able to reproduce the cost-basis tables that were provided in PDF format by Mr. Buckner. Mr. Lavelle recommending recommended reporting the interest income according to its fair market value which was in line with generally accepted accounting principles (GAAP).

Mr. Lavelle also commented on the format of his firm's monthly report which consists of a "compilation report" comprised of a profit and loss statement (P&L) and narrative report. Specifically, he indicated that the narrative portion of the report is unnecessary as the Commission has its accounting records audited annually.

The reports made by Mr. Satterwhite and Mr. Lavelle were discussed amongst the Committee. John Williamson noted that the comments made by Mr. Lavelle regarding GAAP reflect his understanding of contemporary accounting practice. Committee members agreed that the Bylaws already state that the Commission's accounts shall be recorded and maintained based upon generally accepted accounting procedures (see Article VII, Section 5). Consequently, no motions were made, and the Secretary/Treasurer and Executive Director will continue to utilize orderly and accurate methods of accounting and will rely on advice from the Commission's contracted certified public accountant when doing so.

#### **Discussion of Proposed Budget for Fiscal Year 2023**

Tom Hansen presented the proposed budget for FY 2023. He explained the significant differences between the proposed and previous year's budget and noted that projected revenues exceed the proposed budgeted expenses.

Jack Storton made a motion to increase the amount budgeted for Commissioner travel from \$45,000 to \$60,000 to account for the fact that people were starting to travel again and that travel costs are understood to be on the rise. Donna Hodges seconded the motion, and Committee Chairman Burks called for a vote. The motion was unanimously approved.

#### **Discussion of Financial Implications of Possible Commission Support of Generators Disposing of Disused Sealed Sources**

The draft budget contained an unpopulated line item for disused source disposal. Jack Storton made a motion to include \$40,000 for that line item - an amount approximating what was left unspent from the previous year's budget. John Williamson seconded the motion, and Committee Chairman Burks called for a vote. The motion was unanimously approved, and the budget was referred to the Administrative Committee for further review.

**Other Business**

No new business was discussed.

**Public Comment**

No members of the public were present; thus, there was no public comment.

**Adjournment**

Jack Storton moved to adjourn the meeting and David Turberville seconded the motion. Committee Chairman Burks called for a vote, and the meeting was unanimously adjourned at 2:40 p.m.