

MEETING AGENDA

Meeting: Audit & Risk Committee
Date: October 16, 2024
Time: 12:25 PM
Location: Trust Authority Building, 3745 Community Park Loop, Anchorage
Teleconference: (844) 740-1264 / Meeting Number: 2631 718 8480 # / Attendee Number: #
<https://alaskamentalhealthtrust.org/>
Trustees: Kevin Fimon (Chair), Rhonda Boyles, Corri Feige, Brent Fisher, Anita Halterman, Agnes Moran, John Morris

Wednesday, October 16, 2024

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- 12:25** **Call Meeting to Order (Kevin Fimon, Chair)**
Roll Call
Announcements
Approve Agenda
Ethics Disclosure
Approval of Minutes – July 30, 2024 4
- 12:30** **Annual Audit Presentation / Update** hand-out
• Bikky Shrestha, Assurance Partner, BDO Anchorage Office
- 12:45** **LB&A Audit Update**
Executive Session – (if necessary)
In accordance with the Open Meetings Act, AS 44.62.310(c).
- 1:30** **Adjourn**

Future Meeting Dates

Full Board of Trustees / Program & Planning / Resource Management / Audit & Risk / Finance

(Updated – October 2024)

- Full Board of Trustees November 13-14, 2024 (Wed, Thu) – Anchorage

- Audit & Risk Committee January 8, **2025** (Wed)
- Finance Committee January 8, **2025** (Wed)
- Resource Mgt Committee January 8, **2025** (Wed)
- Program & Planning Committee January 9, **2025** (Thu)
- Full Board of Trustees February 5-6, **2025** (Wed, Thu) – Juneau

- Audit & Risk Committee April 23, **2025** (Wed)
- Finance Committee April 23, **2025** (Wed)
- Resource Mgt Committee April 23, **2025** (Wed)
- Program & Planning Committee April 24, **2025** (Thu)
- Full Board of Trustees May 21-22, **2025** (Wed, Thu) – TBD

- Audit & Risk Committee July 29, **2025** (Tue)
- Finance Committee July 29, **2025** (Tue)
- Resource Mgt Committee July 29, **2025** (Tue)
- Program & Planning Committee Jul 31 – Aug 1, **2025** (Thu, Fri)
- Full Board of Trustees August 27-28, **2025** (Wed, Thu) – Anchorage

- Audit & Risk Committee October 15, **2025** (Wed)
- Finance Committee October 15, **2025** (Wed)
- Resource Mgt Committee October 15, **2025** (Wed)
- Program & Planning Committee October 16, **2025** (Thu)
- Full Board of Trustees November 19-20, **2025** (Wed, Thu) – Anchorage

Future Meeting Dates Statutory Advisory Boards (Updated – October 2024)

Alaska Commission on Aging

ACOA: <https://aging.alaska.gov>

Executive Director: Jon Haghayeghi, (907) 465-4879, jon.haghayeghi@alaska.gov

- Quarterly Meeting (winter): December 4, 2024 / Zoom

Alaska Mental Health Board / Advisory Board on Alcoholism and Drug Abuse

AMHB: <http://health.alaska.gov/amhb/Pages/default.aspx>

ABADA: <http://health.alaska.gov/abada/Pages/default.aspx>

Executive Director: Stephanie Hopkins, (907) 465-4667, stephanie.hopkins@alaska.gov

- Quarterly Meeting (winter): January 2025 / Zoom
- Quarterly Meeting (spring): TBD

Governor’s Council on Disabilities and Special Education

GCDSE: <http://health.alaska.gov/gcdse/Pages/default.aspx>

Executive Director: Patrick Reinhart, (907)269-8990, patrick.reinhart@alaska.gov

- Triannual Meeting (winter): February 11-13, 2025 / Juneau

**ALASKA MENTAL HEALTH TRUST AUTHORITY
AUDIT & RISK COMMITTEE MEETING
July 30, 2024
8:30 a.m.**

**Hybrid/Webex Meeting:
Originating at:
Alaska Mental Health Trust Authority
3745 Community Park Loop, Suite 200
Anchorage, Alaska 99508**

Trustees Present:

Kevin Fimon, Chair
Anita Halterman
Corri Feige
Agnes Moran (Virtual)
John Morris
Rhonda Boyles
Brent Fisher

Trust Staff Present:

Allison Biastock
Katie Baldwin-Johnson
Miri Smith-Coolidge

Michael Baldwin
Eric Boyer
Kat Roch
Kelda Barstad
Debbie DeLong
Valette Keller
Tina Voelker-Ross
Eliza Muse
Janie Caq'ar Ferguson

Trust Land Office staff present:

Jusdi Warner
Jeff Green
Sarah Morrison

Also participating:

John Springsteen; Stephanie Hopkins; Ashley Oien; Bikky Shrestha.

PROCEEDINGS

CALL TO ORDER

CHAIR FIMON called the meeting to order and began with a roll call. He asked for any announcements. He stated that it was his pleasure to welcome Trustee Feige to the Trust Board, and thanked her.

APPROVAL OF AGENDA

CHAIR FIMON entertained a motion for the approval of the agenda.

MOTION: A motion to approve the agenda was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORRIS.

After the roll-call vote, the MOTION was APPROVED. (Trustee Moran, yes; Trustee Fisher, yes; Trustee Halterman, yes; Trustee Morris, yes; Trustee Boyles, yes; Trustee Feige, yes; Chair Fimon, yes.)

ETHICS DISCLOSURE

CHAIR FIMON asked for any ethics disclosures. Hearing and seeing none, he moved to the approval of the minutes of April 25, 2024.

APPROVAL OF MINUTES

MOTION: A motion was made to approve the minutes of April 25, 2024. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORRIS.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Morris, yes; Trustee Fisher, yes; Trustee Boyles, yes; Trustee Feige, yes; Trustee Moran, yes; Chair Fimon, yes.)

AUDIT PLANNING AND COMMITTEE CONSULTATION

CHAIR FIMON noted that CFO Farley was online to introduce Bikky Shrestha from BDO's Anchorage office.

CFO FARLEY stated that every year around this time there is an audit planning meeting, and the trustees get to hear directly from the auditors. Mr. Shrestha is the partner on the account, and he has been on the account for many years. He will explain how the audit was planned and designed, and this is an opportunity for trustees to ask any questions about the process.

MR. SHRESTHA introduced himself and stated that he has been running this account as a partner since 2018, and before that had another seven to eight years working on the audit. He has a lot of years working with the management team, and has worked for the Board throughout the whole process. He presented the audit planning document and gave a brief overview of the audit process. He stated that professional standards require communication regarding matters related to the audit that is significant and relevant to trustees' responsibilities in foreseeing the finance and reporting process. The plan shows the nature, scope, and timing of the plan. As auditors, they are responsible for forming and expressing an opinion on whether the financial statements have been prepared by management with oversight in all material respects, and to conform with the accounting principles generally accepted in the United States of America. He

moved to the audit strategies and went through them.

MS. KELLER stated that there were technical difficulties, and asked for a five-minute break.

(Break.)

CHAIR FIMON apologized for the interruption and asked Mr. Shrestha to continue.

MR. SHRESTHA gave a brief summary of what was talked about so far and continued through his audit presentation. Since the assets of the Trust in the financial statements are so large and a portion will be audited by different auditors, the larger materiality is used for the balance sheet because that is where the numbers reside. He continued explaining and answering questions as he went along. He added that the audit will be done in accordance with Government Auditing Standards for the June 30, 2024, year-end. He moved to the Audit Timeline and explained the scheduled work. He stated that when the audit is complete, there will be another meeting to go through some of the financial results. If there are any significant material weaknesses or anything like that, it will be disclosed during that meeting.

CHAIR FIMON thanked Mr. Shrestha, and asked if the trustees had any questions.

TRUSTEE BOYLES asked if the audit was all encompassing, covering every aspect of the Mental Health Trust.

MR. SHRESTHA replied that whatever is included in the financial statements; and that a large portion of the investment portfolio is audited by KPMG.

CFO FARLEY asked about materiality which could be about 1 percent of assets and 5 percent of net income.

MR. SHRESTHA replied that they usually use revenue and expenditures as the benchmark for some of the testing of the revenue and expense numbers.

CFO FARLEY stated that she wanted to let trustees know, because there is such a large balance sheet, and also a large amount of income, that the materiality that BDO uses during the audit is quite high, and that not every transaction is reviewed.

MR. SHRESTHA stated that there is a large materiality, and certain items would not be as much of an interest as far as the opinion goes.

CHAIR FIMON thanked Mr. Shrestha, and stated that he looked forward to working with him on the audit.

RISK MANAGEMENT PLAN ANNUAL PAYOUT PROCEDURES

CHAIR FIMON recognized CFO Farley.

CFO FARLEY stated that the Trust finances are incredibly difficult to understand, and attempted to lay out the funds and the flow of funds on one single diagram. She gave an overview of the chart and added that the topic they were focusing on is the risk management

plan topic, which is the payout. She continued through and added that they take the combined value of those amounts, look at the four-year average, and take 4.25 percent of that amount to determine the payout. She explained in great detail, and answered questions as she went through.

MOTION: A motion that the Audit & Risk Committee enter into Executive Session to discuss annual payout procedures pursuant to the Alaska Open Meetings Act, AS 44.62.310(c)1 and 2, as the immediate knowledge of the matters to be discussed during the Executive Session will have an adverse effect on the Alaska Mental Health Trust Authority's finances and they may tend to prejudice the reputation and character of individuals. The motion was made by TRUSTEE FISHER; seconded by TRUSTEE HALTERMAN.

After the roll-call vote, the MOTION was APPROVED. (Trustee Moran, no; Trustee Halterman, yes; Trustee Fisher, yes; Trustee Morris, yes; Trustee Boyles, yes; Trustee Feige, yes; Chair Fimon, yes.)

CHAIR FIMON asked that CFO Farley, Kat Roch, Mr. Shrestha and CEO Biastock join the Executive Session.

(Executive Session from 9:13 a.m. until 9:39 a.m.)

CHAIR FIMON stated that they were out of Executive Session, and recognized Trustee Fisher.

TRUSTEE FISHER stated, for the record, he, his fellow trustees and the members of the Trust Authority and Trust Land Office are returning to the Audit & Risk Committee from the Executive Session, and we did not make any decisions during the Executive Session.

CHAIR FIMON stated that there was nothing else on the agenda and asked for any other questions. There being none, he asked for a motion to adjourn.

MOTION: A motion to adjourn the meeting was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORRIS.

After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Morris, yes; Trustee Fisher, yes; Trustee Moran, yes; Trustee Boyles, yes; Trustee Feige, yes; Chair Fimon, yes.)

CHAIR FIMON adjourned the meeting.

(The Alaska Mental Health Trust Authority Audit & Risk Committee meeting adjourned at 9:40 a.m.)