

**ALASKA MENTAL HEALTH TRUST AUTHORITY**

**AUDIT & RISK COMMITTEE MEETING**

**October 20, 2021**

**8:30 a.m.**

**WebEx Videoconference/Teleconference**

**Originating at:**

**3745 Community Park Loop, Suite 120**

**Anchorage, Alaska**

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**Trustees Present:**

Anita Halterman, Chair

Chris Cooke

John Sturgeon

Brent Fisher

Verne' Boerner

Kevin Fimon

Rhonda Boyles

**Trust Staff Present:**

Mike Abbott

Steve Williams

Carol Howarth

Miri Smith-Coolidge

Luke Lind

Michael Baldwin

Katie Baldwin-Johnson

Valette Keller

Allison Biastock

Kat Roch

**Trust Land Office Staff Present:**

Jusdi Doucet

Sarah Morrison

**Also participating:**

Myranda Walso; Nicholas Stoudt; Bikki Shrestha; Michelle Kiese.

## PROCEEDINGS

### CALL TO ORDER

CHAIR HALTERMAN called the meeting to order and began with roll call. She stated that all trustees were present; and then asked for any announcements. There being none, she moved to approval of the agenda.

### APPROVAL OF THE AGENDA

**MOTION:** A motion to approve the agenda was made by TRUSTEE STURGEON; seconded by TRUSTEE COOKE.

*After the roll-call vote the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fisher, yes; Trustee Sturgeon, yes; Trustee Cooke, yes; Trustee Fimon, yes; Trustee Boerner, yes; Chair Halterman, yes.)*

CHAIR HALTERMAN continued to the approval of the minutes of July 29, 2021.

### APPROVAL OF THE MINUTES

**MOTION:** A motion to approve the minutes of July 29, 2021, was made by TRUSTEE BOERNER; seconded by TRUSTEE COOKE.

*After the roll-call vote the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fisher, yes; Trustee Sturgeon, yes; Trustee Cooke, yes; Trustee Fimon, yes; Trustee Boerner, yes; Chair Halterman, yes.)*

CHAIR HALTERMAN asked for any ethics disclosures. There being none, she asked Carol Howarth to introduce Bikki Shrestha for the annual audit presentation.

### FY21 ANNUAL AUDIT PRESENTATION

MS. HOWARTH stated that the Full Board would be accepting the final FY21 audited financial statements in November. The preliminary financial audited financial statements were submitted to the State last week, and the auditors will share their draft audit of the financials. She continued that BDO, the auditor, has a long history with the Trust; and they have a good knowledge of the activities and financials. They take their work seriously and are fun to work with. She introduced Bikki Shrestha who made partner in 2018 and leads a team of 80 auditors locally. Michelle Kiese is a CPA, senior assurance manager, whose roots are in the Midwest.

MR. SHRESTHA stated that he is the audit partner on the job and that Michelle Kiese will present the audit draft-up and the draft.

MS. KIESE thanked Ms. Howarth and her team for all their hard work preparing for, getting through the audit, and turning things around quickly to stay on track with the State deadline. She went through a few of the required communications for the audit and highlighted a few things within the financial statement. She stated that the overall objective of the audit was to obtain reasonable, but not absolute, assurance about whether the financial statements are free from material misstatement. The scope of the work performed was substantively the same as discussed earlier with the audit planning communications. An unmodified opinion on the internal controls over financial reporting and on compliance on other matters based on the audit

of financials was performed in accordance with Government auditing standards and was expected to be issued before the end of the month. An unmodified opinion is a good one. She continued her presentation and pointed out that there were no significant changes to the accounting or auditing standards this year. There is a summary of the recently issued accounting pronouncements that are included within the financial statements within Note 16. She also identified that there were no significant or unusual transactions, or any lack of guidance over those. She added that the Trust was assisted with booking two adjustments which are detailed and out there for review. She explained that, as part of the audit, BDO was required to understand and evaluate key controls as the checks and balances of the Trust to make sure they are well designed. She continued going through her presentation, explaining as she went through the Statement of Activities.

A brief question-and-answer discussion ensued.

MR. SHRESTHA thanked the Trust and Trust staff and added that this is the timeliest that the draft and the audit have been presented.

CHAIR HALTERMAN thanked both Mr. Shrestha, Ms. Kiese and the entire team at BDO. She stated appreciation for the amount of work that goes into those kinds of efforts and was comforted to know that they are the Trust auditors. She recognized Ms. Howarth and Mr. Abbott for comments.

MS. HOWARTH emphasized that the financial statements will be finalized and then will be presented at the November board meeting. There will be an opportunity to review them prior to that date. She stated that the only other item with regard to Audit & Risk was to have the risk management planning process done with the Board of Trustees. The other item is following from best practices, that the Trust Land Office start the process of having an audit or financial review of the commercial real estate LLCs. The audit will provide comfort and assurance that the financial statements are correct, but what is most important is the fair market value of the investments. The management and condition of those assets are being monitored by Harvest and the Trust Land Office asset managers, which ensure that they continue to appreciate.

CHAIR HALTERMAN asked for any questions. There being none, she entertained a motion to adjourn.

**MOTION: A motion to adjourn the meeting was made by TRUSTEE STURGEON; seconded by TRUSTEE COOKE.**

*After the roll-call vote the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fisher, yes; Trustee Sturgeon, yes; Trustee Cooke, yes; Trustee Fimon, yes; Trustee Boerner, yes; Chair Halterman, yes.)*

CHAIR HALTERMAN adjourned the meeting.

(Audit & Risk Committee meeting adjourned at 9:07 a.m.)