

**ALASKA MENTAL HEALTH TRUST AUTHORITY
AUDIT & RISK COMMITTEE MEETING
HYBRID/ZOOM
August 1, 2025
8:30 a.m.**

**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
Brent Fisher, Ex-officio (Virtual)

Other Trustees present:

Agnes Moran
John Morris
Josie Hickel

Trust Staff Present:

Mary Wilson
Allison Biastock
Katie Baldwin-Johnson
Shannon Cochran
Valette Keller
Julee Farley
Michael Baldwin
Eric Boyer
Debbie DeLong

Trust Land Office staff present:

Jusdi Warner
Jeff Green
Sarah Morrison

Also participating:

Bikky Shrestha

PROCEEDINGS

CALL TO ORDER

CHAIR FIMON called the meeting to order and began with a roll call. He asked for any announcements. Hearing none, he asked for a motion to approve the agenda.

APPROVAL OF AGENDA

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

There being no objection, the MOTION was APPROVED.

ETHICS DISCLOSURES

CHAIR FIMON asked for any ethics disclosures. Hearing none, he moved to the approval of the minutes from January 9, 2025.

APPROVAL OF MINUTES

MOTION: A motion was made to approve the minutes of January 9, 2025, by TRUSTEE HALTERMAN; seconded by TRUSTEE FEIGE.

There being no objection, the MOTION was APPROVED.

BDO PRESENTATION ON FY25 AUDIT PLAN

CHAIR FIMON stated that CFO Farley was online, and he asked her to introduce Mr. Shrestha.

CFO FARLEY stated that we are at the end of the fiscal year and have already started the FY25 audit with BDO. She continued that Bikki Shrestha has been with BDO and on the Trust account for many years, and it is standard practice to hear from our external auditors prior to the beginning of the audit as part of the planning. She asked Mr. Shrestha to continue.

MR. SHRESTHA began with the presentation of the audit planning document. He talked about the plan for the audit and the accommodations to the committee about the audit process and some of the risks focused on during the audit. He began with an overview, and stated that the audit strategy follows a risk-based approach. The extent of the audit procedures will focus on the areas of the financial statements where the risks are considered to be material. He continued that the auditor is responsible for forming and expressing an opinion about whether the financial statements have been prepared, in all material respects, according to the accounting principle standards in the United States. Since the Trust is a component unit of the State, the audit is done according to the Government Auditing Standards set forth by the State.

CHAIR FIMON asked Mr. Shrestha to explain the unique situation with the Permanent Fund Corporation.

MR. SHRESTHA replied that the financial statements of the Alaska Mental Health Trust Authority includes all of the activity at the Trust, including any activities maintained at the Alaska Permanent Fund.. There is a separate audit done by another firm, KPMG, of the investment portfolio at the Permanent Fund, and that report is usually printed mid-September. That information is also included in the financial statement. He added that, because the Trust

financial statements are one, all of the activities are combined together and presented as one. He explained how the real estate was included in the audit.

CHAIR FIMON asked if CFO Farley had anything to add.

CFO FARLEY stated that the real estate investment manager, RCLCO, will present their assessment of fair value of the commercial real estate properties at the June 30, 2025, Finance Committee Meeting. There will be an opportunity for trustees to hear directly from the investment manager on the values that will be reported. She continued that BDO is the external auditor and works directly for the trustees, reporting directly to them. On commercial real estate, the values are marked up or down each year based on a fair value assessment. When those properties are sold, generally there will not be much of a gain or loss in the year of sale because those are already recognized.

MR. SHRESTHA moved to planned audit strategies which are based on their knowledge of the financial statements and on conversations with the trustees and management. He continued through his explanations of the various steps of the audit. He then moved to the fund balance and stated that if there was some movement between spendable and nonspendable, the calculation would be looked at and reviewed. He continued that an audit is not designed to capture everything that the organization does, and something could be missed.

CHAIR FIMON asked if anyone had anything further or any questions.

MR. SHRESTHA stated that everything else will be after the audit is done, with another presentation when fundings or results of the audit are presented.

CHAIR FIMON asked for any further 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 FEIGE.

There being no objection, the MOTION was APPROVED.

(The Alaska Mental Health Trust Authority Audit & Risk Committee meeting adjourned at 9:12 a.m.)