

**ALASKA MENTAL HEALTH TRUST AUTHORITY
AUDIT & RISK COMMITTEE MEETING
HYBRID/ZOOM
July 29, 2026
2:00 p.m.**

**Originating at:
Alaska Mental Health Trust Authority
3745 Community Park Loop, Suite 210
Anchorage, Alaska 99508**

Trustees Present:

Kevin Fimon, Chair
Anita Halterman
Corri Feige (Virtual)

Other Trustees Present:

Agnes Moran
Brent Fisher, Ex-officio (Virtual)

Trust Staff Present:

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

Trust Land Office staff present:

Jusdi Warner
Sarah Morrison

Department of Law:

Gene Hickey

PROCEEDINGS

CALL TO ORDER

CHAIR FIMON called the meeting to order and began with a roll call. He asked for any announcements. There being none, he moved to the approval of 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. (Trustee Feige, yes; Trustee Halterman, yes; Chair Fimon, yes.)

CHAIR FIMON asked for any ethics disclosures. There being none, he moved to the minutes.

APPROVAL OF MINUTES

CHAIR FIMON asked for approval of the minutes from April 22, 2026.

MOTION: A motion to approve the April 22, 2026, meeting minutes from the Audit & Risk Committee was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FEIGE.

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

BDO PRESENTATION ON FY26 AUDIT PLAN

CHAIR FIMON stated that Bikky Shrestha is the assurance partner over at BDO, the Anchorage office, and has handled the audits for many years. He is always informative and responsive to our questions. He thanked him for coming, and asked him to begin.

MR. SHRESTHA stated that he is one of the audit principals at BDO and has managed the audit for the Trust since 2018, but has been doing the audit on and off since 2006. He continued that this meeting was more about the plan for the audit, the initial communication, and it should be pretty short and simple. He moved to the Executive Summary page and explained that the audit would be in August, September, October, with the plan basically dependent on when the Trust is ready with the information. Right now, they have the plans and the times set up. He continued with a brief overview of the audit and pointed out the auditor's responsibility which is to form an opinion and express an opinion about the financial statements prepared by management. The auditors just opine on the statements. He stated that the audit is done in accordance with Government Auditing Standards. He continued through the audit strategy.

CHAIR FIMON asked about the part of the audit that may assist in bettering operations.

MR. SHRESTHA replied that an audit is not just looking at the numbers. He explained that when they do an audit, the first thing they do is get an understanding of the organization itself; understanding the financial reporting process and the internal controls surrounding the financial reporting processes. He continued through the process in more detail and shared some examples. He talked about areas of significant risk, and added that one of the areas of focus is always management override of controls, a situation that goes outside of the normal internal control

process.

CHAIR FIMON asked him to speak to a few of the complexities.

MR. SHRESTHA stated that there is a lot of complexity here. The first one means there are two complexly separate operations with the Land Office and the Mental Health Office. There are some transactions handled through Department of Revenue. They do not have their own accounting system, but use the State system. That means waiting on reporting from them. The next part is the investment portfolio with the Permanent Fund Corporation. That information also has to be booked in the financial statements. He added that they do not audit that portion, but it refers to auditors, and they rely on their auditing work. Then there are the real estate investments which are in different locations throughout the U.S. Those are based on brokers' opinions. Then there is the endowment and getting that information regarding how much of the portion is restricted for that. Those are from different individuals to help with the process to make sure it is correct.

TRUSTEE HALTERMAN stated that she has problems with the State accounting system not being able to account for the data correctly to start this process this year. She asked if that was going to be an ongoing problem, or have they found a solution.

MR. SHRESTHA replied that was something they have with staff and would send that to CFO Farley for an answer. He moved to a little description of all the risks they just talked about with some of the audit processes, which is in the document for review. He added that throughout the process they have communication with staff about questions during the audit. He stated that the plan right now is to schedule the audit to provide for individuals to work on the audit to make sure it can be completed in the time that is required. Everything hangs in the balance of when everything gets closed in your system, and there are always complications that come through.

CHAIR FIMON thanked Mr. Shrestha and asked for any trustee questions.

CFO FARLEY stated that there were some scheduling issues last year that resulted in the audit report being issued a little late. She asked if he would talk about the timing of any delays which may result in the audit being pushed back.

MR. SHRESTHA replied that if information is delayed, it depends on what kind of information it is. He shared several examples of situations. He stated that they usually get information in a timely manner and should be able to be completed or close to completion by the October 15th time. That is what they are aiming for. He continued that based on prior history, it usually goes beyond that time. The earliest that financials were printed in the last ten years was October 27th.

CEO WILSON stated that part of the lateness last year was due to getting what was needed, and part of it was the feeling that internal process could have been streamlined, and we have been looking at both of those issues.

MR. SHRESTHA stated that their biggest thing for the financials is they need to be approved by the committee, and the meeting has to be put in play as we get closer.

CFO FARLEY clarified that when the financials are ready, approval will be needed from the Audit & Risk Committee and from the Full Board before BDO can issue those financials and

issue the audit report. In order to speed that up, she suggested having a Special Full Board meeting scheduled to get the proposed recommendation on accepting the audit report.

CHAIR FIMON stated that point is well taken. He thanked Mr. Shrestha.

TAO/TLO STAFFING DISCUSSION

MOTION: A motion that the Alaska Mental Health Trust Authority Board of Trustees Audit & Risk Committee enter into Executive Session, pursuant to the Alaska Open Meetings Act, AS 44.62.310(c)2 and 3, to discuss, A, an update on the Legislative Budget & Audit audit; and 2, staffing for the Trust administrative offices and Trust Land Office. The discussion will include an update on the LB&A audit, which is confidential as a matter of law, and matters directly related to specific staff positions which may tend to prejudice the reputation and character of persons and/or organizations. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FEIGE.

There being no objection, the MOTION was APPROVED. (Trustee Feige, yes; Trustee Halterman, yes; Chair Fimon, yes.)

(Executive Session from 2:37 p.m. until 3:58 p.m.)

TRUSTEE HALTERMAN stated, for the record, she and her fellow trustees are returning from a meeting in Executive Session. During the Executive Session, the trustees only discussed the items identified in the motion to move into Executive Session. The trustees did not take any action while in Executive Session.

CHAIR FIMON asked for anything else to come before the committee. 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. (Trustee Feige, yes; Trustee Halterman, yes; Chair Fimon, yes.)

(The Alaska Mental Health Trust Authority Audit & Risk Committee meeting adjourned at 4:00 p.m.)