

InterAct Ministries, Inc.
Finance & Audit Committee Meeting Minutes
August 1, 2010

Members Present: Roy Martin, Dave Perry, Dale Smith, Chuck Schaap

Meeting was opened with prayer.

The minutes of the February 5, 2010 meeting were read and approved.

Administration Director's Report:

Roy read his report (copy attached) highlighting the following:

- Donations remain consistent, expenses remain manageable and our financial position remains strong.
- The accounting firm of Byers & Hurlburt completed their audit for the year ended March 31, 2010. They found no deficiencies in internal control or systems currently employed by InterAct.
- Financially, the organization is in good shape with income up and a 9.1% margin over expenses.
- Karen Schweitz has been added to the staff as a part-time bookkeeper. She is a CPA with several years of non-profit experience. Roy feels this has been a good fit for the organization.
- There is some concern on how the recently enacted health care legislation will affect the organization. Roy is proactively preparing for what is known.
- Roy will arrange for a representative of Appropriate Balance to make a presentation to the InterAct board at the February 2011 meeting.
- The transfer of services from Lee Bernard to Charitable Trust Administration is in process.

Auditor's Report:

- A letter to the board dated June 25, 2010 from Byers & Hurlburt was read which indicated they found no deficiencies in InterAct internal control systems.
- The financials were found to be accurate and within acceptable standards with the exception of four misstatements which were corrected by management.
- Roy mentioned he had some concerns with the on-site auditor that performed the audit. Roy will discuss this with the senior partner at Byers & Hurlburt.
- There are 180 days of liquid assets on hand.
- Roy discussed to what extent the board desires financial information.
- Roy explained the InterAct property list and stated that five of the properties on the list had been sold.
- It appears that the Lazy Mountain water system may be sufficient and that no large upgrade expenditures will be required at this time.

Appointment of Auditor:

We recommend the board appoint Byers and Hurlburt to perform the audit again for the fiscal year ended March 31, 2011.

Housing Allowance:

It was moved, seconded and approved to recommend to the board that the clergy housing allowance for 2011 remain \$24,000.00 per year. (Copy attached)

Financial Information:

Roy asked for guidance on what financial information the committee and board would like to receive. It was decided that a quarterly income & expense report with graphs and some bulleted points of pertinent information e-mailed to each member would be sufficient.

Development Director's Report:

Dale Smith read the report prepared by Diane Schoming. (Copy attached)

The meeting was adjourned

Respectfully submitted,

Chuck Schaap