

InterAct Ministries, Inc.
Finance and Audit Committee Meeting Minutes
February 4, 2011

Members Present: Roy Martin, Dave Perry, Chuck Schaap, Gerry Breshears

MSP to accept the minutes as presented

Roy presented the Administrative Director's Report:

- The main office has shifted to flex time and virtual office. It's been a bit frustrating for Roy since he can't drop by their offices to chat. This has come along with a 12% cut in office hours.
- Total giving was down 11% part of which follows missionaries resigning and investment returns going down. Expenses were also down so the organization was \$155,669 in the black for the year.
- We are back approximately to where we were when the stock market crashed.

We reviewed the properties report. We recommend

- the properties at Shageluk and Perryville be sold
- all other properties continue in their current use
- Repairing the sewer system at the home office. It has backed up causing significant damage in the first floor of the building. It can be solved by installing a pump between the septic and the drain field. The cost will on the order of \$5,000.

Margaret Youch joined us to present Appropriate Balance Financial Services. Their services focus on a stop loss philosophy. Roy will analyze the performance of ABFS and our current managers.

Roy presented Diane's Schoming's Development Report. She is directly responsible for something on the order of \$150,000. We noted that her writing skills are not high. We may want to get Gary Brumbelow back into letter writing loop. She brings relational intangibles as an ambassador of good will that go well beyond that.

Roy presented the 2011-2012 budget. He recommends that the board discretionary fund pay up to

- \$3,000 for field directors' travel to the February board meetings.
- \$22,000 to repair the home office. The likely route will be under \$5,000
- \$4,000 for possible legal fees
- \$5,000 for equipment upgrades

Larry Byers of Byers & Hurlburt, our auditor, presented the representations letter, governance body report, and the management letter. They found and corrected a few minor items. He noted that it is rare to find organizations as well funded as InterAct with a 47 to 1 ratio of assets to liabilities. It is a clean opinion with no issues.

We discussed the impact of trying to compensate David for the loss he would sustain for giving up his job to make sufficient time for being Alaska Field Director. We agree that it would not be wise for him to step out of that job. It seems the place to cut is in other areas.

Respectfully submitted
Gerry Breshears, note taker