

InterAct Ministries, Inc.
Finance and Audit Committee Meeting Minutes
August 3, 2012

Members Present: Gerry Breshears, Roy Martin, Dale Smith, Gale VanDiest,

Meeting was opened with prayer

MSP to accept the minutes as presented

Gerry and Gale received the auditor's report from Larry Byers. There are four misstatements which were noted as minor points which were easily corrected. Mr. Byers reported that it was a clean audit. He commended us on the strength of the balance sheet. The current ratio was very high since there is \$1.7 million in assets compared to \$45,000 in current liabilities. All of our cash is in properly insured accounts. He commended the InterAct office being quiet and well organized.

Roy presented the Administrative Director's Report including finance reports for the current fiscal year compared to the previous years.

- Our operating loss was largely because of stock market being down and the Lee Bernard fund losing some money. We also had no sale of property as there usually is.
- He noted that InterAct Canada is now larger than InterAct Inc. in active employees and has nearly the same budget.
- The total income has continued to decline and this year is less than program expenses. Operational income was also less than operational expenses for the first time since 2004. General fund fundraising needs to strengthen.
- He notes that our financial data shows that the organization could be described as "becalmed, malaise, and flat."
- All-in-all the financials reflect solid financial position with 8.2 to 1 asset to liability ratio and 8 months of operating reserve.

We reviewed the properties report.

- A large tree fell on the property in Grayling. It has been repaired.
- We recommend that the properties in Shageluk and Perryville be sold. There is no interest in purchasing them to date.
- All other properties continue in their current use

Roy reviewed the investment and planned giving reports. There is minimal activity in these.

Roy gave copies of the IRS Form 990 to the members of the committee for our review. It will be available for all board members to review at their meeting tomorrow.

Dale presented Diane's Schoming's Development Report. She is doing a good job to keep InterAct's name in the public arena. She will probably only be with us for the next three years.

It was MSA to appoint Byers and Hurlburt as auditors for the year ending March 31, 2013.

It was MSA to recommend the board approve the clergy housing allowance of \$24,000 for 2013. We noted that Gale Van Diest should be added to the list presented to the committee.

We asked about a succession plan for Roy in case of emergency. He will be on furlough for six weeks starting in August 18. He is convinced that the normal day to day operations would continue without problem. His procedural manuals are up to date. However, someone would need to pick up the CFO duties if he were to be unable to perform his duties.

Meeting was adjourned

Respectfully submitted
Gerry Breshears, note taker