

InterAct Ministries, Inc.
Finance and Audit Committee Meeting Minutes
February 4, 2012

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

MSP to accept the minutes as presented

Roy presented the Administrative Director's Report:

- The office staff is working well and happily.
- Roy presented the committee with finance reports for the first nine months of the current fiscal year compared to the previous year. He highlighted the following items:
 - Cash in the bank is lower because last year we were anticipating a large payment for Tuvan Bibles
 - Investments are lower due to stock market decline and selling some bonds to pay for the Tuvan Bible project.
 - Donations are down approximately \$186,000; Investments have declined and we did not sell any assets. These three together have resulted in a decrease in total income of \$377,000.
 - Total expenses are also down but only \$74,000.
 - Taken together net assets have declined just over \$305,000.
 - The operational ministries fund, however, has gone from a deficit of (\$109,000) to only (\$32,000). Also, since the end of December a grant of \$25,000 has been received for the operational ministries fund.
- All-in-all the financials reflect nothing alarming and it would appear that we will finish the year within the limits of the approved budget.
- Our executive salaries have increased significantly. This is because the home office is becoming paid staff rather than supported missionaries. We noted that Dale does not receive subsidy and Roy's total amount has reduced some over the last two years.

We reviewed the properties report. We recommend

- the properties at Shageluk and Perryville be sold
- all other properties continue in their current use
- Repairs of the sewer system at the home office have been completed and it is working even in the heavy rains of two weeks ago.

Roy reviewed the deferred giving report. There is minimal activity in these.

Ken Miller has done excellent management for us since March 2003 and shown personal interest in our account. He left Morgan Stanley to go to UBS Financial Services. We recommend to the board that we transfer the funds to UBS to continue use of Ken Miller as our fund manager.

Dale presented Diane's Schoming's Development Report. She saw \$25,000 come in toward her salary which is a big step. She has also gotten us some excellent foundation grants.

Roy presented the proposed 2012-2013 budget. There are no major changes in the budget. Our assessments are running about 12% higher than expected. We need to do something to address the growth in executive salaries. If Roy were to retire, we could be in a difficult spot if we have to hire

someone to replace him. Roy will go onto Social Security soon and that will replace his subsidy. Our clerical salaries are at an excellent level. We have major improvements to do in the water system on Lazy Mountain. The engineers are working to assess the costs. We recommend that it be accepted.

We recommend that the registered address in Alaska change to 16453 E Clark Road, Palmer, AK 99645-8706. We recommend that Roy Martin be appointed the registered agent for Interact Ministries, Inc. in the state of Oregon. Doug is registered agent in Alaska.

We reviewed the list of authorized signatories. We recommend that Gary Brumbelow be removed from the list of authorized signatories and that Freda Arnold be added as a signatory for InterAct's Wells Fargo account in Palmer, AK.

We recommend that the board authorize a Russia Transfer Account at Clackamas County Bank with Jerry Crosby and Laura Payne as signatories to be structured such that funds can be withdrawn at ATMs in Russia and two debit cards be issued to Thomas Slawson.

We recommend that a total in \$24,522.81 be transferred from specific static fund balances to accounts as recommended by the ELT. See the report for details.

Roy will put financial reports on the web site monthly and send an email notifying us of that posting.

Respectfully submitted
Gerry Breshears, note taker

InterAct Ministries

Static Fund Balances as of December 2011

Fund	Balance	Last Activity	History	ELT Recommendation
Jesus Video	\$ 40.50	1/3/2011	Fund was open before I returned in 2000.	Close to Operational Ministries
Punjabi Bibles	\$ 337.85	12/22/2009	Left after sending grant in 2007 or 2008 to translate new version.	Send to SEEK Partners
Alaska Field Services	\$ 2,927.59	10/7/2011	Remains of ABI/Field Services consolidation.	Transfer to Alaska Field Ministries
Alaska Wilderness	\$ 225.00	6/7/2010	Left after Mark Overbeek transferred to SEND	Close to Operational Ministries
Rapids Bible Camp	\$ 957.36	4/1/2009	Left from last Rapids camp. Also have supplies at camp.	Close to operational ministries
Rapids Camp Scholarships	\$ 300.00	4/1/2009	Designated for Rapids scholarships	Close to operational ministries
Airfair to Camp	\$ 350.00	4/1/2009	Designated for Rapids transportation	Close to operational ministries
Alaska Leadership Training	\$ 1,000.00	4/1/2009	Designated by board from departing missionary's funds	Use for Tramm's training at CIT
Russia GAZ Truck	\$ 719.80	4/1/2009	Remainder after purchasing GAZ truck	Close to Russia Field Ministries
Yakut Van	\$ 1,032.50	12/16/2009	Started raising funds for Yakut van	Close to Russia Field Ministries
Moyer	\$ 5,365.61	8/31/2011	Board approved \$10,000 for Alaska Freedom Journey	Close to Hospitality
Osborne Scholarship	\$ 11,266.60	4/1/2009	Left from ABI scholarship fund. Gale has details	Donor agrees to use for Genesis Process
	\$ 24,522.81			