

InterAct Ministries, Inc. Finance & Audit Committee

Cyber Meeting (via Zoom)
February 27, 2024

Members Present: Chuck Schaap (Chairman), Randy Jackson, Dave Ley, Ray Prigodich, Daryl Kroeker (*ex officio* as Board Chair), Mike Hubbard (*ex officio* as CFO), and Dale Smith (Dale Smith *ex officio* as Executive Director).

Call to Order

Chairman Schaap called the meeting to order at 4:30 PM (PST), and Dave Ley led in prayer.

Approval of Previous Minutes

Dave Ley **moved** and Daryl Kroeker **seconded** his motion that the minutes from the meeting of September 11, 2023, be approved as circulated. The motion was **approved** without any objection.

Finance Director's Report

Mike Hubbard went through the main points of his written report, a copy of which is included in the board packet. With regard to the property report:

- It was noted that footnote number 2 is missing. Mike said he would check to see what the footnote should have said and add it to the report.
- It was observed that the stated values for several of the properties are lower than the values reported a year ago. Mike said he would look into this and clarify why the reported values decreased.
- Dale noted that when the Bigelows' current lease expires, it will not be renewed, so that the DeVries, who need more space, can occupy the entire duplex in Anchorage.
- Chuck asked if consideration ought to be given to selling the entire headquarters facility in Boring and moving operations to a smaller rented space. In response, Dale said that we definitely don't need all the space we currently have. We really need only half of the main building. We could perhaps divide the space and rent half of it to some other entity. The two-bedroom house in back sits on 2.88 acres. It is currently rented out, providing some income to InterAct. Zillow values it at \$589,000. But Dale said that since InterAct's financial situation looks better now than it did a year ago, thanks especially to an uptick in the stock market, he feels that there is no urgency to consider selling our current headquarters facility. During the last few months, we've taken only profits, and not principal, out of the Allen Trust funds. Daryl said that he, too, would not advise selling the property at this time. It was noted that both property values and lease costs in the Portland area are sky high right now.

With regard to the profit and loss report:

- The question was raised as to why executive salaries have suddenly increased by more than 150 percent. It was explained that, in the past, since Dale and Carol's salaries are covered by InterAct Canada, those salaries were not included in the Inc. budget. Now, however, those salaries are included in the Inc. budget, but this is counterbalanced by what InterAct Canada contributes toward their support, which is counted as a gift to InterAct Inc. Another reason for the increase in executive salaries is the recent addition of Jim Darnall to the staff.

- It was noted that the amount budgeted for staff training and member care has decreased. The question was asked: Does this mean that less is being done in these areas than in the past, and, if so, why? It was explained that, in fact, even more is being done in these areas, but that the related expenses are sometimes paid for out of other budgeted funds.

Presentation of Budget for 2024-25 Fiscal Year

- It was noted that the proposed budget results in a deficit of about \$26,500. But since everything included in the annual budget is seldom spent, it's likely that there won't be an actual deficit.
- Dale noted that neither a salary for a development director nor anticipated income from that source is included in the proposed budget. Out of more than 25 people who applied for this position, only three were qualified, and when they were interviewed, none of them expressed a willingness to relocate to Oregon. They all wanted to be able to work remotely, which is not acceptable for this position.

Ray Prigodich **moved** and Randy Jackson **seconded** his motion that we recommend to the full board the adoption of the proposed budget for 2024-25, as presented. The motion was **approved** without any objection.

Jim Darnall as an Authorized Signers of Checks

Ray Prigodich **moved** and Chuck Schaap **seconded** his motion that we recommend to the full board the addition of Jim Darnall as an authorized signer of checks for InterAct Ministries' Clackamas County Bank checking account #3726072. The motion was **approved** without any objection. [Note: This same motion was passed last September, but through an oversight, it was not voted on by the full Board.]

Adjournment

Chairman Schaap adjourned the meeting at 5:15 PM (PST).

Respectfully submitted,

Ray Prigodich, Recorder