

InterAct Ministries Joint Boards
Executive Director's Report
August 6, 2022
Portland, OR

I am doing this report a little differently. Because of the time difference between the U.S. board meeting and the September Canada board meeting, I have decided to make this report U.S. organization specific.

As you all know by now, we are meeting without one of our most appreciated board members, Gale Van Diest. You will also recognize that this meeting is being intentionally abbreviated to make it possible to attend his memorial service. In the spirit of brevity, I will make this report somewhat abbreviated as well.

Though some reports may lack detail, you will have read enough to know that the InterAct Ministries, Inc. is doing well. God continues to send new staff our way, particularly in Alaska. Over the past eighteen months we have seen thirteen missionaries fielded. That continues as we now have in hand applications from six more with others that have already informed us that they will be applying shortly. Most of these newest applications are coming from other organizations so the net gain for God's work is not increased much, but selfishly it is nice to see some of these quality people choosing to join with us. Although this "pig in a python" brings its own set of challenges, it is the kind of challenges we love to face.

With new or relatively new missionaries in Grayling, Ruby and the Copper Center area, we are moving forward in Alaska. Steve has a clear vision for where he is leading the field and people are joining him in this vision. **A Novel Approach** is being encouraged and implemented in several locations. A strong emphasis on pre-field training that is field specific is being implemented. A leadership/advisory team is being put together to provide added perspective and vision. Accountability is becoming an integral part of the field paradigm. How to become better facilitators of ministry is being explored (i.e., *The Facilitator Era*, Steffen). The Alaska field is growing, and ministry is moving forward.

As all of you are aware, there is still a war going on in Ukraine. Although Russia is not acknowledging this as a war, the impact on expat staff in the country is still significant. Runaway inflation, ranging from 30-100%, is the reality our staff in Siberia are living with. Indiscriminate governmental targeting is an ever-present possibility. Despite the challenges, our staff decided to stay in country to minister. This has proven to be a great credibility boost, as national believers see them as there for the long haul – willing to endure challenges with the people they came to serve. Although it is not inconceivable that complications could arise from staying, we decided together it was worth the risk. Each one has an exit plan that includes more than one possible way out of the country if it becomes necessary.

Although the situation on the ground in Ukraine does not seem improved, the realities of life inside Russia seem to be less intense than in the past. Several mission organizations whose staff had exited the country are now sending staff back. Our field director, Lucas Orner, has stated that he feels more secure now than he did during the early days of the conflict. Frankie, Ira and Pasha Emrick are currently in the country of Georgia, hoping to soon be allowed to return home to Russia. Though fully funded, Micah and Georgi Costanzo have not yet made it to Russia. They are hoping the doors will be open in February to begin ministry there. Recent reports from our staff indicate that ministry with and through national

believers (Tuvan & Buryat) is advancing. God is obviously continuing to work regardless of politics. It is nice to be a small part of what He is doing.

The other big piece of InterAct Ministries, Inc. is the U.S. office. The vision to escape Blackbaud/Raiser's Edge's high cost and abysmal customer service drove us to look at viable alternatives. The result of the search was a donor management platform called Donor Perfect. As is usually the case, the changeover has not been seamless. At this point it has put most key office staff about two months behind. The implications for me are that this has set back my office re-staffing agenda about the same amount of time. Once we have worked out the bugs on this program (not there yet), I will be working closely with Jerry Crosby to find his successor (HR, personnel, COO) and a development director. This is going to be my "big rock" moving into the fall - once two sets of board meetings and a Canada conference in Winnipeg are behind me.

Even though we have people joining the U.S. organization faster than they are retiring or leaving, we still are finding ourselves challenged financially. The 10% assessment on staff support and projects helps our overall income, but it covers only about 35% of our budget. The other key sources of are investments, about 30%, and general fund donations, about 30%. Over the long term we have realized about 8% return on our investments. With our current volatile market (mostly down), we are not receiving help from investment returns. General fund donations have gone down significantly after two years of Covid. Although we are not in any danger, I am reigning in spending on the field – especially Alaska. For several years, we had bonus income coming in to support the Lazy Mountain campus from rental property. As we put more and more of our buildings on this campus into ministry, we lose this source of income as well.

Although a development director will not change our financial trajectory overnight, he should be able to change the direction within a couple years. One of the encouraging things for me is when I look back over time and see how God has provided again and again. Last year it was a large estate gift. Many years it is a strongly performing market. It is after all His ministry, so we do the right things and pray dependently to the "Owner" of the cattle on a thousand hills.

On a personal note, I am not looking for a backdoor out of leadership in InterAct. Although at times I do feel the tug to slow down and spend more time with family, I am also feeling energized and ready to continue in this role. God continues to give strength, passion, and vision for what He wants to accomplish through InterAct and I am excited (usually) to be a part of He is doing!

A grateful servant,

Dale Smith
Executive Director
InterAct Ministries, Inc.

The horse is prepared for the day of battle, but deliverance is of the LORD. Proverbs 21:31 NKJV.