

Executive Director's Report to the Board  
August 2023

In my early years as a believer, one godly man had the loudest voice in my life. It was obvious that his favorite book in the Bible was Philippians. He was my youth pastor, at another juncture my boss while working at our church's camp, but in every context, he was a mentor. Many times, I heard devotionals from his favorite epistle. To this day I remember many of the key verses from the text, verses that have shaped my values. One of them is, "And my God shall supply all your need according to His riches in glory by Christ Jesus." (Philippians 4:19, NKJV). So why am I starting out this report with that phrase? Because I am feeling the need to remember that **God's Got This**.

There are the two critical areas that I am looking to Him to supply. First, we hope to identify potential successors for at least two key roles—executive director and Alaska field director. This feels like a big issue but not too big for a God who has promised to "supply all our need." Granted, this isn't a promise to supply all our wants, nor to supply according to my timeline. But in my simplicity, I believe it is safe to assume we need new leadership for the organization. So again, in my simplicity, I continue to cry out to God for successors.

As boards, you called for the formation of a Transition Leadership Committee (TLC). This was to be comprised of two board chairmen with me, and a third board member of our choosing. We are pleased that Mike Matthews has agreed to sit with us through this journey. Having served in numerous roles as an InterAct missionary, as well as a board member, he brings a very helpful perspective to our deliberations.

At this board meeting you will hear a short report from the committee by Daryl Kroeker, our unofficial chairperson. Please be praying for us as we move forward with our search. Any prospective names or insights are welcome.

Besides normal leadership and administrative duties, and the above-mentioned succession discussions, my other "big rock" is my concern about organizational cash flow. This is most clearly seen in the U.S. organization, but it also has significant impact on the Canada organization. The U.S. organization has had to dip into investments for more than \$500,000 in the past four years. Withdrawing when the market was performing poorly means we lost even more than we would have if withdrawn during a strong market. So now, even if the market rises significantly, we have \$500,000 less to benefit from the stronger market. Our trend through the Covid years is not sustainable indefinitely.

Please don't think I am in a panic. I am thankful for the many years of depth God has provided. We also have resources in real property in the U.S. (Boring, Lazy Mountain, Anchorage), and to a lesser extent in Canada. But these older properties require regular, often costly upkeep to protect their value.

Steps are being taken to address this situation. Since last fall we have been advertising for a donor development director. We continue to advertise, pray for, and talk about who that person might be. Please join the management team as we pray diligently. Also, I encourage you to think through your contacts and friends for a possible fit. Historically, this position was filled by individuals who already knew and loved this ministry, usually bringing their own support.

Although appeal letters have never seemed to bring InterAct substantial return, I have chosen to send one out right on the heels of our quarterly InterAction. My prayer is that it will alert people to the need. We pray that some will come onboard as regular organizational donors.

Of course, I continue to encourage our field directors to reduce spending unless it is clearly in the budget. I am working closely with the field directors to guard against spending ahead of realized income. One proposed solution is seeking funding for some larger expenses, like our conferences. Canada's conference runs between \$40,000 to \$45,000 CAD each year. The Alaska conference ran over \$25,000 U.S. this year. Seeking funders for these key expenses could go a long way toward covering our shortages.

That brings me to the discussion of how InterAct has traditionally covered expenses. Roy Martin used to break it down this way: one third of our expenses came from donations to the general fund(s), one third came from return on our investments, and one third came from our assessments of missionary support. General fund donations for church-planting/discipleship type organizations are down about 10% since Covid despite non-profit giving holding steady (people like social issues more these days). We are right in line with that report. We are running about 10% behind what we did in years before the pandemic.

The second historical income has been investments. In the U.S., where most investments are in the stock market, this has not been an income source in the last few years. Canada has done better as its investments are in secure, but low yielding, certificates of deposit. These have at least helped cover the losses from inflation. But whether our investments were a black hole, or they helped minimize our losses, nobody was getting rich.

The other traditional income stream has been the 10% assessment we applied to all missionary income or projects. 10% of all income sounds like a fair bit of money, and it is. For perspective, let me mention that almost half of that 10% goes to fully pay the cost for our missionaries to attend the annual conference. That leaves about 5% of the assessed money to run everything the mission does (after donations to the general operating expenses and investments). For further perspective, let me say that I have contacted many mission organizations and none of them pay for their required staff conferences. When asked how much assessment fee they charge it gets messy. They often charge a sending country fee (U.S. or Canada), an international fee, and sometimes a receiving country (field) fee. Putting the layers of fees together, and recognizing their unpaid staff conferences, InterAct is the leanest operation I can find in the mission world. We are running a mission on approximately a 5% assessment compared to the average assessment of 15%ish. One of the ways we had accomplished this was using supported missionaries in office roles. Finding willing and appropriately trained missionaries has become a challenge not faced in previous years.

I am not saying we need to raise the assessment. Nor am I saying that it is time for missionaries to raise the costs for their annual conference. Rather, I mention this so we can see the challenges that come from trying to do too much, with too little, for too long. (I just liked the sound of that. ☺) Are changes in order? Absolutely. I pray regularly and look diligently for someone who will pour time into finding those donors who are looking for places to invest in eternity through InterAct.

This is not something that has to happen this month. We have enough depth to go for quite a few years. But I do think it is good stewardship to set a trajectory that maintains a balance between income and expenses. It would be wise to initiate this discussion.

On to the fun stuff. Reading through the reports from the field directors and mobilization director was a great encouragement. As you read them you will see God is working. The fields are all moving forward. Siberia continues to have some challenges, but even there we have seen three units get into or back into the country in the last four months. One of these is a newly fielded young couple. I won't repeat our field directors' stories, as their reports have admirably done so.

If I failed to tell you how impressed I am with all the field directors, I would be remiss. These men are doing an outstanding job. Each one is growing more deeply in his walk with the Father. Each man has vision, passion and leadership skill that is growing continually. I am so thankful to have them standing shoulder to shoulder with me! They make my job so much easier, and together we are advancing His work. I thank them publicly and privately. Dan Mayerle should also be acknowledged. In addition to his church-planting role in Calgary, he is beginning his second year as the director of mobilization. I miss having him at the leadership table, but he is providing a great service to me and to InterAct by selflessly carrying this role for another year.

On the office front, Greg now has part-time administrative help in the Canada office. Good news for sure. The U.S. office has seen Jerry Crosby step back to part-time, but he is still carrying the load as our office administrator and doing a superb job! Jim Darnall has been hired for the U.S. office to eventually take over both Jerry's HR role and Dan Mayerle's mobilization role. He comes with good background in HR, an eye for detail and a godly heart. Time will tell what other needed roles he might be able to fill around the U.S. office.

It would be inappropriate if I failed to express my appreciation to my wife. Carol not only serves me daily as my administrative assistant; she also wears the hat of Communications Director for InterAct. She and her team continue to produce professionally done materials, including InterACTION (stories), InterCESSOR (prayer bulletin), recruiting brochures, and so much more.

For the record, I am still encouraged by my opportunity to sit in the executive director's chair. God is using us, and I believe by His grace the best days are still ahead. Soon, I hope to be passing the baton to someone younger who has a passion to take InterAct to the next level.

Thanks for allowing me to serve! Thank you for the incredible support you give me and my team! I count on your prayers and encouragement, and I know I have them! So many of you have shown me and this organization amazing generosity as well. Thank you! Your service to InterAct is deeply appreciated.

Respectfully submitted,

Dale Smith

*They still bear fruit in old age; they are ever full of sap and green. Psalm 92:14 ESV.*