

From the General Director

Cadence International just completed its fifty-second year of ministry. Because of your faithful prayer and financial support, military people around the world have been reached for Christ, built up in Him, and mobilized in Great Commission service for Him.

This report covering our fiscal year (June 2005 – May 2006) is intended to inform you of progress in the advancement of the gospel in military communities worldwide. We trust you will be strengthened and encouraged as you are reminded of the significance of your investment in the lives of military people and their families.

FY 06 Highlights

War with Iraq and the ongoing battle with terrorism have dramatically and profoundly impacted the lives of thousands of military personnel and their dependents. Stress, uncertainty, separation, loss, grief, and loneliness have all more strongly invaded the tapestry of military life.

Summarizing the importance of Cadence ministries in these days is not easy. It is not only important, it is unbelievably vital. Cadence missionaries are busy:

. . . equipping deploying soldiers to stand firm in their faith while away from loved ones.

. . . tracking and encouraging these deployed ones through email.

. . . counseling and supporting family members remaining behind at the deployment launching installation.

. . . coordinating prayer, logistical, and emotional support for loved ones.

The women in Cadence have always enjoyed a valued and strategic role in our ministries, but now

with the heightened needs of military families their importance to this mission and its ministry has perhaps never been higher. I know of one ministry where the entire priority of the hospitality house was shifted to release the Cadence wife in her ministry to wives and families of deployed soldiers.

Also, the Cadence S.W.I.M. Team (Single Women In Ministry) is beginning to grow and thrive as they reach out to women in uniform at various bases in Germany.

I will also add that Malachi Youth Ministries and Malachi Children's Ministries are blossoming as Cadence staff minister to military dependents in this time of great need.

The ground work for Cadence's partnership with CEF (Child Evangelism Fellowship), called Malachi Children's Ministry, has been cultivated at the military community of Fort Hood, Texas. There are 20,000 grade-school-aged dependant children there who need the gospel and ministry. Full-time staff began a Cadence/CEF ministry there in December 2006.

Because of your faithful partnership with our missionaries, they are able to be there for military people during these tenuous yet fruitful days on the frontlines of ministry.

My friends, God is on the move in the military community. The stories coming back from Christ's soldiers on the frontlines are inspiring and stirring. His ambassadors in uniform are witnessing to their buddies and leading many to Christ.

Chaplains are baptizing new believers in makeshift pools in the desert. Many believers are beginning prayer meetings and Bible study groups across the military. A spiritual movement of incredible

proportions is gaining steam and rolling through military communities around the globe!

In the midst of these vital and vibrant field ministries, the mission headquarters staff is crucial in the support of our field missionaries. They continue to offer faithful support through prayer, administration, leadership, finances, recruiting and training, logistics, publications, and a myriad of other detail work.

Finally, during this past year God has opened up doors to recruit those in the emerging generations at Bible colleges across the United States.

Having spoken in chapels to over 3,000 Bible school students in recent months at Masters, Multnomah, and Columbia International University, and also having interacted one-to-one with many of them, I am convinced that God is indeed raising up a very special generation of young people who will positively and profoundly impact missions and ministries for decades to come.

In their landmark book, *Millennials Rising: The Next Great Generation*, Neil Howe and William Strauss contend that this emerging generation is one of the most confident, relational, respectful, team-oriented, achieving, conventional, and special generations to come on the scene of American culture in many, many decades. They seem to have the high regard for absolute truth representative of the Buster and Boomer generations, as well as the wonderful value of close relationships of Generation X. This is exactly what I experienced while on these campuses recently.

Cadence dares not miss the incredible potential of this generation. I returned from these trips with this compelling question: "Who must Cadence be, and what must we do to be a place where the millennial generation feels embraced and empowered for life and ministry?!"

Our long-term vision and future depend upon these questions being well-answered in a timely manner, while simultaneously maintaining our historical ethos and core convictions and values as a mission. Let me also add that while Cadence aggressively pursues this generation, we also will continue to intentionally recruit people of all generations.

God has made Cadence an inter-generational mission, and it is my conviction that we must be a place where those of every generation can thrive in ministry and service to the military community.

Please pray with us that this inter-generational organization will remain blessed of God, empowered by the Spirit, and centered on our Lord Jesus Christ.

"I thank my God every time I remember you. In all my prayers for all of you, I always pray with joy because of your partnership in the gospel from the first day until now."

(Philippians 1: 3-5)



David Schroeder
General Director

Staff Leadership FY 2006

David Schroeder, *General Director*
Paul Bradley, *Director, Operations*
Ronald A. Dice, *Controller/Treasurer*
Larry Ingalls, *Executive Director, Personnel*
Bill Sawyer, *Director, Americas Ministries*
C. David Cordell, *Director, Asia House Ministries / I.T. Resources*

Ron Wilson, *Director, Foreign Ministries-Asia*
Jim Wilson, *Director, Europe House Ministries*
Jeff Campbell, *Director, Malachi Ministries*

2006 Financial Report

Support and Revenue

| | | |
|-----------------------------|--------------------|-------|
| Contributions | \$6,401,526 | 84.5% |
| Conference Registrations | 517,732 | 6.8% |
| Military Ministry Contracts | 556,916 | 7.3% |
| Investment Income | 36,212 | 0.5% |
| Other Income | 65,838 | 0.9% |
| Total Income | \$7,578,224 | |

Expenses

| | | |
|----------------------------|--------------------|-------|
| House Ministries | \$3,510,549 | 47.1% |
| Youth Ministries | 1,873,450 | 25.1% |
| Home Assignment | 343,144 | 4.6% |
| General and Administrative | 1,096,404 | 14.7% |
| Fund Raising | 147,664 | 2.0% |
| Other | 485,001 | 6.5% |
| Total Expenses | \$7,456,212 | |

Change in Net Assets \$115,492

Statement of Financial Position

| | |
|----------------------------|-------------|
| Assets | \$4,074,731 |
| Liabilities and Net Assets | |
| Liabilities | \$538,574 |
| Net Assets | \$3,536,157 |

Cadence International® 2006 Annual Report



department of defense

department of defense

Sharing
the gospel
and our lives
with
the military community

Financial Report

Cadence International ended the fiscal year in a strong financial position, as portrayed in its audited financial statements. Poysti and Adams, LLC conducted the audit and found that Cadence was maintaining its financial records in accordance with generally accepted accounting practices and managing its financial resources well. Highlights of the mission's finances are discussed below.

Total Support, revenue and other gains, was up almost \$525,000 (7.4%) from last year. In addition to continuing strong donor support, Cadence was blessed by receiving the largest gift in its history — \$270,000 in the form of publicly traded stock. The gift came when significant needs were becoming apparent. This is testimony to the faithfulness of God's people supporting this vital ministry in both ordinary and extraordinary ways. Ministry Services (hospitality house, youth, retreat, conference ministries and foreign ministries) expenses were up by \$419,194 (7.2%) from last year, reflecting the continued pursuit of reaching service men, women, and dependents for Christ as well components of foreign military and national police forces. General and Administrative (G&A) expenses were up \$70,989 (6.9%) from last year. Fund raising expense increased \$19,117 (14.9%), reflecting a greater number of missionaries pursuing partnership development. Net liabilities increased by \$59,348 (12.4%). The increase is primarily attributable to an increase of accounts payable and accrued expenses as of the end of the fiscal year. Of total liabilities only \$247,000 is considered long term. That amount is 6.1% of our total Assets and Liabilities. Overall, Cadence's net assets improved \$115,500 (3.4%) for the year.

A management letter was provided to the Board of Directors highlighting an area needing attention. It recommended continuing attention in the area dealing with credit card purchases to ensure conformance to the mission's operating policy.

Overall, Poysti and Adams concluded that Cadence was continuing in its practice of excellent fiscal accountability and integrity.

While Cadence ended the year in strong financial condition, we give credit and praise to the Lord as the provider of all good things. We are dependent on Him for the provision of resources and people to conduct our ongoing ministries. We gratefully acknowledge our faithful donors and pray that "... God will meet all [their] needs according to his glorious riches in Christ Jesus." (Phil. 4:19)

Respectfully,

Michael Endres

Chief Financial Officer

Board of Directors FY 2006

- James M. Howard, *Chairman*
- Richard Newman, *Vice-Chairman*
- Richard D. Patty, *Secretary*
- Ronald A. Dice, *Treasurer*
- David A. Schroeder, *General Director*
- John S. Roberts, *Director*
- Stacy C. Bragg, *Director*
- Carroll P. Tarkington, *Director*
- Curtis A. Kemp, *Director*
- Todd A. Cienski, *Director*
- Jeffrey A. Easley, *Director*
- Alan M. Villanuava, *Director*
- Betty Price, *Director*
- Jerri L. Kayll, *Director*



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