

*Financial Statements*

**NEW MISSION SYSTEMS, INC.  
d/b/a NEW INTERNATIONAL**

**July 31, 2025 and 2024**

**NEW MISSION SYSTEMS, INC.  
d/b/a NEW INTERNATIONAL**

**Financial Statements**

**July 31, 2025 and 2024**

**(With Independent Auditor's Report Thereon)**

NEW MISSION SYSTEMS, INC.

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## **Independent Auditor's Report**

The Board of Directors  
New Mission Systems, Inc.  
d/b/a New International

### **Opinion**

We have audited the accompanying financial statements of New Mission Systems, Inc. d/b/a New International (the Organization) (a nonprofit corporation), which comprise the statement of financial position as of July 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Mission Systems, Inc. d/b/a New International as of July 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Mission Systems, Inc. d/b/a New International and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Schaefer, Tschoff, Whitcomb, Mitchell & Shulman, LLP*

September 4, 2025  
Maitland, Florida

NEW MISSION SYSTEMS, INC.  
d/b/a NEW INTERNATIONAL

**Statements of Financial Position**

July 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 2,677,093	2,827,164
Prepaid expenses	166,604	40,311
Property and equipment, net (notes 3, 4 and 5)	<u>4,404,730</u>	<u>4,582,121</u>
Total assets	<u>\$ 7,248,427</u>	<u>7,449,596</u>
<b><u>Liabilities and Net Assets</u></b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 17,594	17,185
Note payable, less debt issuance costs (note 4)	<u>377,716</u>	<u>447,005</u>
Total liabilities	395,310	464,190
Net assets without donor restrictions	<u>6,853,117</u>	<u>6,985,406</u>
Total liabilities and net assets	<u>\$ 7,248,427</u>	<u>7,449,596</u>

See accompanying notes to financial statements.

NEW MISSION SYSTEMS, INC.  
d/b/a NEW INTERNATIONAL

**Statements of Activities and Changes in Net Assets**

Years ended July 31, 2025 and 2024

	<b>2025</b>	<b>2024</b>
<b>Net assets without donor restrictions:</b>		
Support and revenue:		
Contributions	\$ 11,429,587	11,556,375
Interest income	71,594	85,338
Rental income (note 6)	230,434	164,633
Sales and services	11,596	6,536
	11,743,211	11,812,882
Expenses:		
Program services	10,768,850	10,616,436
Management and general	607,586	725,019
Fund raising	499,064	353,689
	11,875,500	11,695,144
Change in net assets	(132,289)	117,738
Net assets, beginning of year	6,985,406	6,867,668
Net assets, end of year	\$ 6,853,117	6,985,406

See accompanying notes to financial statements.

NEW MISSION SYSTEMS, INC.  
d/b/a NEW INTERNATIONAL

**Statement of Functional Expenses**

Year ended July 31, 2025

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Personnel expenses:				
Payroll	\$ 2,707,019	270,733	173,975	3,151,727
Employee benefits	447,254	44,730	28,743	520,727
Housing allowance	1,202,891	120,303	77,308	1,400,502
Total personnel expenses	4,357,164	435,766	280,026	5,072,956
Other expenses:				
Depreciation	310,099	31,014	19,929	361,042
Education	457,616	-	-	457,616
Conference	92,009	-	-	92,009
Insurance	70,434	7,044	4,527	82,005
Interest	8,454	8,454	-	16,908
Mission projects	4,513,720	-	-	4,513,720
Building materials	657,619	-	-	657,619
Occupancy	65,074	20,304	-	85,378
Office supplies	30,352	10,118	-	40,470
Postage	26,892	17,928	-	44,820
Printing	36,539	24,359	-	60,898
Professional fees	72,729	7,274	4,674	84,677
Recruiting	29,124	29,124	-	58,248
Bank fees	31,406	10,469	-	41,875
Telephone	8,285	5,523	-	13,808
Supporter relationships	-	-	189,856	189,856
Noncash interest expense	1,334	209	52	1,595
Total expenses	<u>\$ 10,768,850</u>	<u>607,586</u>	<u>499,064</u>	<u>11,875,500</u>

See accompanying notes to financial statements.

NEW MISSION SYSTEMS, INC.  
d/b/a NEW INTERNATIONAL

**Statement of Functional Expenses**

Year ended July 31, 2024

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Personnel expenses:				
Payroll	\$ 2,556,112	330,791	120,288	3,007,191
Employee benefits	445,095	57,601	20,946	523,642
Housing allowance	1,176,563	152,261	55,368	1,384,192
Total personnel expenses	4,177,770	540,653	196,602	4,915,025
Other expenses:				
Depreciation	300,195	38,849	14,126	353,170
Education	453,144	-	-	453,144
Conference	703,982	-	-	703,982
Insurance	38,020	4,920	1,790	44,730
Interest	9,841	9,841	-	19,682
Mission projects	4,354,848	-	-	4,354,848
Building materials	271,804	-	-	271,804
Occupancy	97,067	26,347	-	123,414
Office supplies	25,069	8,357	-	33,426
Postage	29,272	19,515	-	48,787
Printing	36,052	24,035	-	60,087
Professional fees	42,044	6,951	1,242	50,237
Recruiting	24,727	24,727	-	49,454
Bank fees	40,686	13,562	-	54,248
Telephone	10,581	7,053	-	17,634
Supporter relationships	-	-	139,877	139,877
Noncash interest expense	1,334	209	52	1,595
Total expenses	<u>\$ 10,616,436</u>	<u>725,019</u>	<u>353,689</u>	<u>11,695,144</u>

See accompanying notes to financial statements.

NEW MISSION SYSTEMS, INC.  
d/b/a NEW INTERNATIONAL

**Statements of Cash Flows**

Years ended July 31, 2025 and 2024

	<b>2025</b>	<b>2024</b>
Cash flows from:		
Change in net assets	\$ (132,289)	117,738
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	361,041	353,170
Loss on sale of equipment	-	12,790
Non-cash interest expense	1,595	1,595
Change in operating assets and liabilities:		
Prepaid expenses	(126,293)	42,765
Accounts payable and accrued expenses	409	(2,943)
Net cash provided by operating activities	104,463	525,115
Cash flows from investing activities:		
Purchase of property and equipment	(183,650)	(517,220)
Net cash used in investing activities	(183,650)	(517,220)
Cash flows from financing activities:		
Payments on note payable	(70,884)	(68,109)
Net cash used in financing activities	(70,884)	(68,109)
Net change in cash and cash equivalents	(150,071)	(60,214)
Cash and cash equivalents at beginning of year	2,827,164	2,887,378
Cash and cash equivalents at end of year	\$ 2,677,093	2,827,164
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 16,907	19,682

See accompanying notes to financial statements.

NEW MISSION SYSTEMS, INC.  
d/b/a NEW INTERNATIONAL

**Notes to Financial Statements**

July 31, 2025 and 2024

**(1) Organization and Summary of Significant Accounting Policies**

**(a) Organization**

New Mission Systems, Inc. (Organization) exists to foster the emergence of Jesus following communities globally. Founded in 1989, its vision is to support and place individuals in fields of service to minister to people of all nations. The Organization's activities consist of recruiting, providing training and support and placing missionaries in the field both in the United States and foreign countries

The Organization's employees are responsible for raising their own funds through contributions from churches and individuals. Ten percent (10%) of the total funds raised is applied to cover administration costs and the remainder is maintained to cover the missionary and ministry expenses of the originating individual.

The Organization maintains a publications department that occasionally provides services to other 501(c)(3) religious charities and churches in addition to printing the materials of the Organization.

**(b) Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Unconditional promises to give (pledges) are recorded as receivables and revenue, and the Organization distinguishes between promises received for each net asset category in accordance with donor restrictions, if any.

Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- ◆ Net assets without donor restrictions---Net assets that are not subject to donor-imposed stipulations.
- ◆ Net assets with donor restrictions---Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donors impose restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

NEW MISSION SYSTEMS, INC.  
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**Notes to Financial Statements**

July 31, 2025 and 2024

**(1) Organization and Summary of Significant Accounting Policies (Continued)**

**(c) Cash and Cash Equivalents**

For purposes of reporting cash flows, the Organization considers investments purchased with original maturities of three months or less to be cash equivalents.

Financial instruments which potentially subject the Organization to concentration of credit risk consist principally of cash and short-term investments. The Organization places its cash and investments with local financial institutions. At certain times throughout the year, cash and investments may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization management believes it is not exposed to any significant credit risk on cash and temporary cash investments.

**(d) Investments**

Investments are carried at fair market value, which is based upon quoted market prices. Realized and unrealized gains and losses are included in the statement of activities.

**(e) Promises to Give**

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**(f) Deferred Loan Costs**

Deferred loan costs of \$23,895 for the years ending July 31, 2025 and 2024 are being amortized utilizing a method that approximates the effective interest rate method over the term of the mortgage bonds payable.

The net book value of the deferred loan costs are presented in the statements of financial position as a reduction in the carrying amount of the associated liability. The amortization expense associated with the deferred loan costs is reflected as noncash interest expense on the accompanying statements of operations and cash flows. As of July 31, 2025 and 2024, accumulated noncash interest expense related to the deferred loan costs totaled \$17,545 and \$15,950, respectively.

NEW MISSION SYSTEMS, INC.  
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**Notes to Financial Statements**

July 31, 2025 and 2024

**(1) Organization and Summary of Significant Accounting Policies (Continued)**

**(g) Property and Equipment**

Buildings and equipment are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line or declining balance method. Currently the Organization capitalizes all fixed asset additions with a life greater than one year and a cost in excess of \$1,500. Certain property and equipment over \$1,500 is not capitalized as a function of a foreign ruling government's policy related to rights of ownership. In cases where clear title and ownership are encumbered by such policies these acquisitions are expensed.

**(h) Land**

Land purchased by the Organization is stated at cost. Donated land is stated at fair market value at the date of gift or at tax assessed value when the fair value is not reasonably obtainable.

**(i) Donated Assets**

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation.

**(j) Contributions**

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

**(k) Income Tax Status**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It qualifies for the charitable contribution deduction under Section 701(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

In accordance with "Income Taxes" FASB Accounting Standards Codification Topic 740 (Topic 740), all entities are required to evaluate and disclose income tax risks. Topic 740 clarifies the accounting for uncertainty in tax positions and prescribes guidance related to the financial statement recognition and measurement of a tax position taken or expected to

NEW MISSION SYSTEMS, INC.  
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**Notes to Financial Statements**

July 31, 2025 and 2024

**(1) Organization and Summary of Significant Accounting Policies (Continued)**

**(k) Income Tax Status (Continued)**

be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statements of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statements of activities and changes in net assets. As of July 31, 2025, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Organization's income tax returns are subject to review and examination by federal authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes. The tax returns for the fiscal years ended from 2022 to 2024 are open to examination by federal authorities.

**(l) Functional Allocation of Expenses**

The costs of providing programs and administration of the Organization have been summarized on a functional basis in the accompanying statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation of expenses according to function, including payroll and occupancy costs which cannot be directly attributed to specific functions, is based on estimates by the Organization's management, of the time of employees involved and of percentages of assets utilized.

**(m) Financial Instruments Fair Value, Concentration of Business and Credit Risks**

The carrying amounts reported in the balance sheet for cash and cash equivalents, accounts payable and accrued expenses, and note payable approximate fair value because of the immediate or short-term maturity of these financial instruments, or they carry interest rates substantially similar to current rates offered on similar instruments.

**(n) Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NEW MISSION SYSTEMS, INC.  
d/b/a NEW INTERNATIONAL

**Notes to Financial Statements**

July 31, 2025 and 2024

**(1) Organization and Summary of Significant Accounting Policies (Continued)**

**(o) Funds Held for Missionaries**

The Organization's employees are responsible for raising their own support from donors. These funds are held by the Organization. As of July 31, 2025 and 2024, the funds held for employee's and projects totaled \$3,726,243 and \$4,084,320, respectively. New International makes every effort to honor preference of gifts given, however, retains discretion and control over their use. In the unlikely event it is not able to the intended purpose, gifts will be applied where most needed.

**(p) Subsequent Events**

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition and disclosure through September 4, 2025, which is the date the financial statements were available to be issued.

**(2) Liquidity and Availability**

As of July 31, 2025, the Organization has \$2,677,093 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. Additionally, the Organization has a line of credit under which it may borrow up to \$700,000 (see note 5). The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table reflects the Organization's financial assets as of July 31, 2025 reduced by amounts that are not available to meet general expenditures within one year of the statement of position date.

Cash and cash equivalents	<u>\$ 2,677,093</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 2,677,093</u>

NEW MISSION SYSTEMS, INC.  
d/b/a NEW INTERNATIONAL

**Notes to Financial Statements**

July 31, 2025 and 2024

**(3) Property and Equipment**

Property, equipment and related accumulated depreciation consist of the following at July 31:

	<b>2025</b>	<b>2024</b>
Land and land improvements	\$ 528,367	528,367
Buildings	5,030,656	5,023,456
Equipment	618,628	575,469
Furniture	122,967	122,967
Vehicles	795,645	662,354
Leasehold improvements	27,770	27,770
	7,124,033	6,940,383
Less: accumulated depreciation	(2,719,303)	(2,358,262)
	<b>\$ 4,404,730</b>	<b>4,582,121</b>

**(4) Note Payable**

Note payable consists of the following at July 31:

	<b>2025</b>	<b>2024</b>
Loan payable to bank with original borrowings of \$990,000; interest bearing at 4.0%, due in monthly payments of \$7,316 including interest through February 2030; collateralized by building.	\$ 384,066	454,950

The unamortized loan costs which are shown as a reduction of the notes payable at July 31, 2025 and 2024 were \$6,350 and \$7,945, respectively.

Future maturities of note payable are as follows:

<b><u>Year ended July 31,</u></b>	
2026	\$ 74,534
2027	77,570
2028	80,731
2029	84,020
2030	67,211
	<b>\$ 384,066</b>

NEW MISSION SYSTEMS, INC.  
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**Notes to Financial Statements**

July 31, 2025 and 2024

**(5) Line of Credit**

The Organization has a line of credit arrangement maturing in September 2026, due on demand, under which it may borrow up to \$700,000 from time to time with interest at the lender's prime rate. The line of credit is collateralized by a security interest in certain land and buildings of the Organization. The entire amount of the line was available at July 31, 2025.

**(6) Leases**

The Organization leases space in its main office location to other non related parties. Total lease income for the year ended July 31, 2025 and 2024 amounted to \$230,434 and \$164,633, respectively.

Future lease payments expected to be received under these lease agreements are as follows:

**Year ended July 31,**

2026	\$ 68,030
2027	43,996
2028	34,250
2029	34,250
2030	34,250
Thereafter	102,750