New American Pathways, Inc.
Audited Financial Statements
September 30, 2015

Bambo Sonaike CPA, LLC
1640 Powers Ferry Road Building 29 Suite 100 Marietta GA 30067
P: 770.956.6455   F: 678.559.0659 www.cpa-service.com

New American Pathways, Inc.
Table of Contents
September 30, 2015

	Page(s)
Report of Independent Auditor	1-2
Audited Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5-6
Statement of Cash Flows	7
Notes to the Financial Statements	8-17
Single Audit / Supplementary Information	
Report on Internal Control over Financial Reporting	18-19
Report on Compliance with Requirements	20-21
Schedule of Expenditures of Federal Awards	22
Notes to the Schedule of Expenditures of Federal Awards	23
Schedule of Expenditures of State Awards	24
Notes to the Schedule of Expenditures of State Awards	25
Schedule of Findings and Questioned Costs	26

BAMBO SONAIKE CPA, LLC
LEADERSHIP | EXPERIENCE | VISION

1640 Powers Ferry Road
Building 29 Suite 100
Marietta, Georgia 30067
Office: 770.956.6455
Fax: 678.559.0659
www.cpa-service.com

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors:
New American Pathways, Inc.
Atlanta, Georgia

We have audited the accompanying financial statements of New American Pathways, Inc. (the Organization) which comprise the statement of financial position as of September 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New American Pathways, Inc. as of September 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 16, 2016, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance.

Bambo Sonaike CPA, LLC

March 16, 2016

New American Pathways, Inc.
Statement of Financial Position
As of September 30, 2015

Assets		
Current assets		
Cash	$	600,837
Accounts receivable (note 4)		589,665
Inventory (note 3)		7,841
Prepaids and other assets (note 9)		7,043
Total current assets		1,205,386
Long-term assets		
Property and equipment (net) (note 5)		445,350
Beneficial interest in assets of The Commmunity (note 14) Foundation- restricted for endowment		269,417
Total long-term assets		714,767
Total Assets	$	1,920,153
Liabilities and Net Assets		
Current liabilities		
Accounts payable & accrued expenses (note 8)	$	209,123
Deferred revenue (note 7)		116,631
Total current liabilities		325,754
Total liabilities		325,754
Net assets		
Unrestricted net assets		877,961
Temporarily restricted net assets (note 13)		466,438
Permanently restricted net assets (note 13, 14)		250,000
Total net assets		1,594,399
Total Liabilities & Net Assets	$	1,920,153

The accompanying notes are an integral part to these financial statements.

New American Pathways, Inc.
Statement of Activities
For the year ended September 30, 2015

	Unrestricted	Temporarily Restricted	Permenantly Restricted	Total
Revenues				
Contributions	$ 756,627	$ 368,357	$ -	$ 1,124,984
Program services	2,758,826	-	-	2,758,826
Donations In-kind	362,971	-	-	362,971
Other income	3,738	-	-	3,738
Total revenues	3,882,162	368,357	-	4,250,519
Net assets released from restrictions relating to:				
Merger related cost (excluding depreciation)(note 2)	376,073	(376,073)	-	-
Purchase of property and equipment (note 2)	172,597	(172,597)	-	-
Other programs	621,708	(621,708)	-	-
Total net assets released from restriction	1,170,378	(1,170,378)	-	-
Expenses				
Program services				
Social Services	615,097	-	-	615,097
Reception and Placement	844,861	-	-	844,861
AmeriCorps	370,838	-	-	370,838
Match Grant	892,245	-	-	892,245
Other Programs	1,100,880	-	-	1,100,880
Support services				
Management and general	468,566	-	-	468,566
Fundraising	334,594	-	-	334,594
Merger expenses (note 2)	478,497	-	-	478,497
Total expenses	5,105,578	-	-	5,105,578
Change in net assets from operations	(53,038)	(802,021)	-	(855,059)
Other income and expenses				
Investment gain (loss)	-	(2,874)	-	(2,874)
Interest income	62	-	-	62
Gain on disposal of vehicle	7,000	-	-	7,000
Total other income and expenses	7,062	(2,874)	-	4,188
Change in net assets	(45,976)	(804,895)	-	(850,871)
Net assets at date of merger	923,937	1,271,333	250,000	2,445,270
Net assets at end of year	$ 877,961	$ 466,438	$ 250,000	$ 1,594,399

The accompanying notes are an integral part to these financial statements.

New American Pathways, Inc.
Statement of Functional Expenses
For the year ended September 30, 2015

	Program Services					Support Services			
	Social Services	Reception and Placement	AmeriCorps	Match Grant	Other Programs	Management and General	Fundraising	Merger Costs (note 2)	Total
Salaries	$ 394,785	$ 167,597	$ 294,090	$ 119,689	$ 656,032	$ 283,172	$ 239,707	$ 231,188	$ 2,386,260
Benefits	51,748	25,089	19,392	17,628	103,730	39,604	21,036	37,204	315,431
Payroll taxes	40,577	15,068	24,567	11,105	64,627	23,826	23,730	19,459	222,959
Total compensation and benefits	487,110	207,754	338,049	148,422	824,389	346,602	284,473	287,851	2,924,650
Administrative fees	660	318	-	332	429	626	425	307	3,097
Background checks	464	486	1,263	903	2,923	313	-	-	6,352
Bank fees	66	65	-	21	119	1,659	228	360	2,518
Client assistance	780	508,634	-	645,417	19,025	122	-	-	1,173,978
Conference and training	226	1,088	3,607	21	11,667	350	1,012	7,777	25,748
Consultants/ interpreters	1,267	21,438	-	7,386	46,864	-	1,080	17,189	95,224
Dues and subscriptions	7,309	2,455	-	8,153	6,147	6,158	405	1,594	32,221
Facilities and integration costs	-	-	-	-	-	-	-	1,001	1,001
Fundraising	-	-	-	-	-	-	37,522	-	37,522
Insurance	7,906	6,384	1,513	6,431	9,335	6,940	1,450	2,797	42,756
Marketing and branding	-	-	-	-	-	-	-	15,570	15,570
Meals and entertainment	141	145	-	-	1,295	184	366	-	2,131
Member housing	-	-	11,290	-	36	-	-	-	11,326
Miscellaneous	128	124	-	432	1,876	3,270	135	1,485	7,450
Non-capitalized equipment	62	122	-	83	31	36	-	-	334
Office supplies	2,790	935	1,013	7,329	2,949	2,899	401	3,733	22,049
Other	9	-	-	-	807	16,812	-	6,957	24,585
Postage	341	678	-	1,286	4,700	1,399	284	-	8,688
Printing and copying	4,316	3,409	-	7,753	5,682	5,373	-	-	26,533
Professional fees	13,312	6,835	4,935	4,333	24,631	26,610	4,685	24,528	109,869
Rent	47,887	32,575	-	27,068	30,774	30,183	-	-	168,487
Repairs and maintenance	13,738	8,045	-	14,239	9,372	10,798	187	-	56,379
Storage	899	11,981	-	2,655	414	809	-	-	16,758
Supplies	1,080	4,203	245	303	32,713	-	777	1,240	40,561
System integration and technology costs	-	-	-	-	-	-	-	3,640	3,640
Telephone	3,239	4,799	-	3,382	18,995	2,380	-	-	32,795
Travel	14,297	18,452	8,923	5,752	41,459	1,200	1,164	44	91,291
Interest	-	-	-	-	-	227	-	-	227
Depreciation	7,070	3,936	-	544	4,248	3,616	-	102,424	121,838
Total expenses	$ 615,097	$ 844,861	$ 370,838	$ 892,245	$1,100,880	$ 468,566	$ 334,594	$ 478,497	$ 5,105,578

The accompanying notes are an integral part to these financial statements.

New American Pathways, Inc.
Statement of Cash Flows
For the year ended September 30, 2015

Cash flow from operating activities:		
Change in net assets	$	(850,871)
Reconciliation of change in net assets to net cash provided (required) by operating activities:		
Depreciation (note 5)		121,838
Loss on endowment investment		2,874
Change in operating assets and liabilities		
(Increase) decrease in assets:		
Accounts receivable		(162,644)
Inventory		2,496
Prepaids and other assets		25,267
Increase (decrease) in liabilities:		
Accounts payable		2,358
Payroll taxes payable		(12,000)
Deferred revenue		(50,203)
Net cash provided (required) by operating activities		(920,885)
Cash flow from investing activities:		
Purchase of property and equipment		(10,258)
Purchase of property and equipment for merger		(172,597)
Distribution from endowment- Beneficial interest in assets of The Commmunity Foundation		15,046
Net cash provided (required) by investing activities		(167,809)
Cash flow from financing activities:		
Payments on notes payable		(9,503)
Net cash provided (required) by financing activities		(9,503)
Net increase (decrease) in cash		(1,098,197)
Beginning balance of cash at date of merger		1,699,034
Ending balance of cash	$	600,837
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	$	227
Cash paid during the year for income taxes	$	-

The accompanying notes are an integral part to these financial statements.

1. Organization

New American Pathways, Inc. (the Organization) is the result of a merger of two local not-for-profit entities, Refugee Resettlement and Immigration Services of Atlanta, Inc. (RRISA) and Refugee Family Services, Inc. (RFS).

RRISA was a not-for-profit organization incorporated on October 9, 2002 in the state of Georgia. RRISA provided various services to refugees before, during, and after their arrival into the United States of America. Services offered by RRISA included reception and placement services; employment and employment upgrade services, citizenship classes, social adjustment services (parenting and gathering groups, driver's education courses and workshops on financial home management), immigration services, interpretation and translation services, emergency referral services, and youth programs.

RFS was a not-for-profit organization incorporated on March 27, 1996 in the state of Georgia. The mission of RFS was to support the efforts of refugee women and children to achieve self-sufficiency in the United States by providing education and economic opportunity. RFS provided services to refugees primarily located in DeKalb and Gwinnett Counties.

On September 30, 2013, RFS entered into a merger agreement with RRISA. In accordance with the merger agreement, RFS merged into RRISA, the surviving entity, effective October 1, 2014. RRISA changed its name to New American Pathways, Inc. immediately after the merger.

The Organization continues to sponsor the programs (previously sponsored by RRISA and RFS) through donations from churches, individuals, businesses, organizations, foundations, and federal awards passed through Church World Service, Episcopal Migration Ministries, Georgia Department of Human Services, and other agencies.

See note 2 below for additional details regarding the merger.

2. Merger

On October 1, 2014, RRISA and RFS merged to form New American Pathways, Inc. In accordance with ASC No. 958-805, Non-for-Profit Entities Business Combinations, the carryover method was applied for recognizing the results of the merger. The carryover method requires combining assets and liabilities of the merging entities as of the merger date. The following schedule summarizes the amounts recognized on October 1, 2014 for each major class of assets and liabilities and each class of net assets of the merger:

	Statement of Financial Position as of merger date - October 1, 2014		
Assets	**RRISA**	**RFS**	**Total New American Pathways, Inc.**
Cash	$ 288,846	$ 653,067	$ 941,913
Restricted cash	757,121	-	757,121
Accounts receivable	313,507	113,514	427,021
Inventory	10,336	-	10,336
Prepaids and other assets	24,275	8,034	32,309
Property and equipment	361,249	23,084	384,333
Beneficial interest in assets of The Commmunity Foundation- restricted for endowment	-	287,337	287,337
Total Assets	$ 1,755,334	$ 1,085,036	$ 2,840,370
Liabilities			
Accounts payable & accrued expenses	$ 162,064	$ 44,702	$ 206,766
Payroll taxes payable	12,000	-	12,000
Deferred revenue	136,945	-	136,945
Notes payable	9,503	-	9,503
Total liabilities	320,512	44,702	365,214
Net assets			
Unrestricted net assets	528,997	394,940	923,937
Temporarily restricted net assets	905,825	395,394	1,301,219
Permanently restricted net assets	-	250,000	250,000
Total net assets	1,434,822	1,040,334	2,475,156
Total Liabilities & Net Assets	$ 1,755,334	$ 1,085,036	$ 2,840,370

As of September 30, 2015 and 2014, a summary of the contributions received and expenses incurred for the merger activities are outlined below:

	2015	2014
Beginning balance	$ 725,290	$ 2,442
Contributions	124,050	1,406,380
Expenses	(478,497)	(348,165)
Depreciation allocated to merger activities	102,424	-
Purchase of property and equipment	(172,597)	(335,367)
Net assets restricted for merger activities	$ 300,670	$ 725,290

3. Significant accounting policies

Basis of accounting and financial statement presentation
The financial statements are reported using the accrual basis of accounting. All of the Organization's assets, liabilities, net assets, revenue and expenses have been reflected in accordance with the accrual method.

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, Not-for-Profit Entities. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

<u>Unrestricted net assets</u>
These are assets that are not subject to donor imposed or grantor-imposed restrictions.

<u>Temporarily restricted assets</u>
These are assets that are subject to donor imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

<u>Permanently restricted net assets</u>
These are assets subject to donor imposed stipulations permanently by the Organization. Generally, the donors of these assets permit an organization to use all or part of the income earned on any related investments for general or specific purposes.

Cash and cash equivalents
Cash consists of cash on hand at the Organization's locations and the accounts held at financial institutions. Cash equivalent are considered to be short term investments with original maturities less than three months.

Accounts receivable
Accounts receivable are generated from the day to day operations of the Organization. Accounts receivable are stated as unpaid balances to the Organization for performed services. Receivables are unsecured and non-interest bearing. Management believes that all receivables are fully collectible; therefore, no allowance for uncollectible amounts has been recorded.

Inventory
Inventory consists of household items required for refugee living quarters and transportation and other gift cards available for distribution to the refugees. Inventory is stated at the lower of cost, determined using the first-in first-out (FIFO) method, or market. Donated goods are recorded at estimated fair value. As of September 30, 2015, total inventory was $7,841.

Property and equipment
The Organization capitalizes property and equipment purchases that are greater than $1,000. Lesser amounts are expensed. Property and equipment are stated at cost, or if donated, at

their estimated fair value at the date of the gift. Such donations are reported as unrestricted support unless the donor restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor.

Expenditures for property and equipment additions are reviewed for estimated useful life and major improvements or renewals are capitalized while the cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized. Depreciation is computed by the straight-line method over the estimated useful lives as stated below. At the time assets are retired or disposed, costs and accumulated depreciation are eliminated from the related accounts and gains or losses, if any, are credited or charged to income. The estimated useful lives of property and equipment were as follows:

Description	Useful Life
Equipment	3 to 5 years
Furniture and Fixtures	7 years
Vehicles	5 years
Leasehold improvements	3.5 years

Donated material and services
All donated materials are recorded at their estimated fair value at the date of receipt. Contributed services are recognized if the services received (a) create or enhance non-financial assets or (b) required specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services are reflected in the financial statements at the fair value of the services received. Donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services.

Revenue recognition
Contributions are recognized as revenues in the period received or promised. Conditional contributions are recorded when the conditions have been substantially met. Contributions are considered to be unrestricted unless specifically restricted by the donor. The Organization reports contributions in the temporarily or permanently restricted net asset class if they are received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are released and reclassified to unrestricted net assets in the statement of activities. Donor-restricted contributions are initially reported in the temporarily restricted net asset class, even if it is anticipated such restrictions will be met in the current reporting period.

Program service revenues from agencies are recognized as unrestricted revenue when earned. The Organization records amounts received in advance as deferred revenue until the revenue is earned. The program service revenues are determined to be earned based on the terms of the grant agreement for each particular program. The Organization primarily earns program service revenues when qualifying expenses are incurred for reimbursable grants and through the performance of specific services.

Income tax
The Organization is a not-for-profit entity under section 501 (c)(3) of the Internal Revenue Code and is not subject to federal or state income taxes.

Use of estimates
The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Functional allocation of expenses
The costs of providing the programs and activities of the Organization have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among program services and support services.

Fair value
FASB ASC 820-10, “Fair Value Measurement and Disclosures”, defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by ASC 820-10, are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 – are unobservable inputs for the asset or liability and rely on management’s own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company’s own data).

The Organization has presented these assets and liabilities in accordance with the level of fair value described above are as follows:

Assets	Fair value	Level 1	Level 2	Level 3
Beneficial interests	$ 269,417	$ -	$ 269,417	$ -

4. Accounts receivable

Accounts receivable as of September 30, 2015 consisted of the following:

Church World Service	$ 271,757
Georgia Department of Human Services	41,895
Episcopal Migration Ministries	170,496
Georgia Department of Community Affairs	51,027
Criminal Justice Coordinating Council	24,739
Others	29,751
Total accounts receivable	$ 589,665

5. Property and equipment

As of September 30, 2015, property and equipment consisted of the following:

	Date of Merger	Additions	Disposals	Ending
Equipment	$ 165,387	$ 119,713	$ -	$ 285,100
Furniture and fixtures	96,157	29,148	-	125,305
Vehicles	34,427	20,381	(18,500)	36,308
Leasehold improvements	145,640	13,613	-	159,253
Total cost	441,611	182,855	(18,500)	605,966
Less: accumulated depreciation	(57,278)	(121,838)	18,500	(160,616)
Total property and equipment, net	$ 384,333	$ 61,017	$ -	$ 445,350

For the year ended September 30, 2015, depreciation expense in the amount of $121,838 was recorded in the statement of activities.

6. Note payable

As of September 30, 2015, note payable activities consisted of the following:

Loan is secured by	Interest rate	Maturity Date	Principal amortization	Prepayment penalty	Balance at Date of Merger	Balance at September 31, 2015
Organization's assets	5%	11/17/2016	Yes	No	$ 9,503	$ -

7. Deferred revenue

The Organization records grant awards and certain contributions as deferred revenue until related services are performed, at which time they are recognized as revenue. As of September 30, 2015 deferred revenue totaled $116,631.

8. Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of expenses incurred in the day to day activities of the Organization. Accounts payable and accrued expenses as of September 30, 2015 consists of the following:

Accounts payable	$	99,438
Accrued professional fees		10,950
Accrued salaries and wages		720
Compensated absences		85,952
Credit cards payable		12,063
Total	$	209,123

Compensation absences

The Organization has vacation, sick and paid time off policies covering substantially all of its employees. The annual leave may be accrued and carried over from one year to the next up to a maximum of 320 hours based on hours worked and years of service. Upon resignation, termination, or retirement, an employee shall be paid for any accrued annual leave balance up to 120 hours. The Organization has recorded an accrued liability for paid time off as of September 30, 2015 totaling $85,952.

9. Prepaid and other assets

As of September 30, 2015, prepaid and other assets consisted of the following:

Prepaid expenses	$	6,743
Utility deposits		300
Total prepaids and other assets	$	7,043

10. Concentrations

Revenue sources

The Organization depends heavily on contributions and grants for its revenue sources. The ability of the Organization's contributors and grantors to continue giving amounts comparable with prior years may be dependent upon current and future overall economic conditions and the continued deductibility of contributions of the Organization. While management believes the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues, may be dependent on the above factors and other factors beyond its control.

Custodial credit risk
Custodial credit risk is the risk that in the event of bank failure, the Organization's deposits may not be returned to it. Cash accounts are insured by the Federal Deposit Insurance Corporation for up to $250,000. Cash balances held with financial institutions exceed federally insurable limits at times. Management believes the credit risk associated with cash and cash equivalents to be low due to the quality of the financial institutions in which these assets are held.

11. Leases

The total lease expense recorded in the statement of activities for the year ended September 30, 2015 was $168,487. On October 12, 2012, the Organization entered into a 65 month lease agreement commencing on December 15, 2012. Effective June 2014, the Organization increased the leased space and the rental payments in connection with the merger. The annual minimum required payments under the agreement are as follows:

Year ended September 30,		
2016	$	173,540
2017		178,310
2018		112,602
Total	$	464,452

12. Line of credit

As of September 30, 2015, line of credit consisted of the following:

Collateral	Line of credit	Outstanding balance	Interest rate	Maturity Date	Principal amortization	Prepayment penalty
Unsecured	$ 100,000	$ -	Prime + 1%	12/11/2016	No	No

For the year ended September 30, 2015, the Organization did not utilize the line of credit and no amounts were outstanding as of September 30, 2015.

13. Temporarily and permanently restricted net assets

Temporarily and permanently restricted net assets consist of the following as of September 30, 2015:

Temporarily restricted	
Merger activities	$ 300,670
Goizueta Reintervention Program	64,461
Endowment investment gains	19,417
Young Women's Leadership Program	963
Zeist School Liaison	50,000
General Mills Nutrition Program	18,552
Goizueta ESL	8,977
Pro Georgia	3,398
Total temporarily restricted assets	466,438
Permanently restricted	
School Liaison Project - Endowment Fund	250,000
Total restricted net assets	$ 716,438

14. Endowment

The Organization has determined that its permanently restricted net assets meet the definition of endowment funds under the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA).

The Organization maintains one endowment fund which is a donor-restricted endowment fund. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund

2) The purposes of the organization and the donor-restricted endowment fund
3) General economic conditions
4) The possible effect of inflation and deflation
5) The expected total return from income and the appreciation of investments
6) Other resources of the organization
7) The investment policies of the organization

Investment Return Objectives, Risk Parameters and Strategies

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return. The targeted annualized return objective is 5% plus inflation, net of all expenses. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending policy

The Organization's endowment policies allow the Board of Directors to appropriate for distribution up to 5% of its endowment fund's average fair value through the prior fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Organization's objective is to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Endowment held by The Community Foundation for Greater Atlanta

Currently, the only endowment maintained by the Organization is administered by The Community Foundation for Greater Atlanta (The Community Foundation). Accordingly, investment and spending for this endowment is based on the investment and spending policies of The Community Foundation. This endowment was established by a donor to support the School Liaison Program within the Family Engagement Department. The Organization transferred the funds to The Community Foundation to be held in perpetuity in the name of Refugee Family Services, Inc. (now New American Pathways, Inc.) and administered by The Community Foundation. Since The Community Foundation does not have a unilateral right to redirect the funds to another beneficiary, the Organization has a beneficial interest in those assets. Accordingly, the value of the endowment is reported on the statement of financial position as beneficial interests in the assets of The Community Foundation.

Endowment net asset composition by type of fund as of September 30, 2015 was as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ -	$ 250,000	$ -

Changes in endowment net assets as of September 30, 2015 were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets- beginning	$ -	$ 37,337	$ 250,000	$ 287,337
Contributions	-	-	-	-
Net Investment return	-	(2,874)	-	(2,874)
Distributions	-	(15,046)	-	(15,046)
Endowment net assets- ending	$ -	$ 19,417	$ 250,000	$ 269,417

15. Subsequent events

The Organization evaluated subsequent events through the date the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.

BAMBO SONAIKE CPA, LLC
LEADERSHIP | EXPERIENCE | VISION

1640 Powers Ferry Road
Building 29 Suite 100
Marietta, Georgia 30067
Office: 770.956.6455
Fax: 678.559.0659
www.cpa-service.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
New American Pathways, Inc.
Atlanta, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of New American Pathways, Inc. (the Organization), which comprise the statement of financial position as of September 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 16, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bambo Sonaike CPA, LLC

March 16, 2016

BAMBO SONAIKE CPA, LLC
LEADERSHIP | EXPERIENCE | VISION

1640 Powers Ferry Road
Building 29 Suite 100
Marietta, Georgia 30067
Office: 770.956.6455
Fax: 678.559.0659
www.cpa-service.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors
New American Pathways, Inc.
Atlanta, Georgia

Report on Compliance for Each Major Federal Program
We have audited New American Pathways, Inc.'s (the Organization) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2015. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program
In our opinion, New American Pathways, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

Report on Internal Control over Compliance
Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and

performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Bambo Sonaike CPA, LLC

March 16, 2016

New American Pathways, Inc.
Schedule of Expenditures of Federal Awards
For the year ended September 30, 2015

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Pass-through from Church World Service:			
Match Grant Program	93.567	90RV0056	34,470
Match Grant Program	93.567		292,530
Pass-through from Episcopal Migration Ministries			
Match Grant Program	93.567	90RV0060/03-01	53,730
Match Grant Program	93.567	90RV0065-01-00	247,143
Preferred Communities	93.576	90RP0105	55,300
Pass-through from Georgia Department of Human Services			
Refugee and Entrant Assistance- State Administered Programs	93.566	42700-040-0000021378-01	304,167
Refugee and Entrant Assistance- Targeted Assistance Grants	93.584	42700-040-0000021378-01	228,158
Cuban Haitian Service Program	93.576	42700-040-0000031418	38,760
Refugee service impact grant	93.576	42700-040-0000031438	114,425
Total U.S. Department of Health and Human Services			1,368,683
U.S. Department of State:			
Pass-through from Church World Service			
Reception and Placement Program	19.510	SPRMCO14CA1010	478,991
Reception and Placement Program	19.510	SPRMCO13CA1022	54,018
Pass-through from Episcopal Migration Ministries			
Reception and Placement Program	19.510	SPRMCO14CA1007	9,414
Reception and Placement Program	19.510	S-PRMCP-15-CA	376,122
Total U.S. Department of State			918,545
Corporation for National and Community Service:			
Pass-through from Georgia Department of Community Affairs			
AmeriCorps	94.006	14AC156752	224,595
AmeriCorps	94.006	14AFHGA0010005	28,624
Total Corporation for National and Community Service			253,219
U.S. Department of Justice:			
Pass-through from Georgia Criminal Justice Coordinating Council			
Violence Against Women	16.588	W13-8-057	21,540
Violence Against Women	16.588	W13-8-046	70,700
Total U.S. Department of Justice			92,240
U.S. Department of Housing and Urban Development:			
Pass-through from DeKalb County CDBG			
Financial literacy	14.218	15-902988	17,285
Total U.S. Department of Housing and Urban Development			17,285
Total Federal Awards			$ 2,649,972

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of New American Pathways, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

New American Pathways, Inc.
Schedule of Expenditures of State Awards
For the year ended September 30, 2015

State Grantor/ Pass-through Grantor/ Program Title	Revenues	Expenditures	Amount (due to) / from Agency
Georgia Department of Human Services			
Information and referral	$ 102,000	$ 102,000	$ -
Immigration	22,200	22,200	-
Social adjustment	98,000	98,000	-
Employment	200,000	200,000	-
After school	110,125	110,125	-
Cuban Haitian Service Program	38,760	38,760	-
Refugee service impact grant	114,425	114,425	-
Total Georgia Department of Human Services	685,510	685,510	-
Georgia Department of Community Affairs			
AmeriCorps Recovery	224,595	224,595	-
AmeriCorps Recovery	28,624	28,624	-
Total Georgia Department of Community Affairs	253,219	253,219	-
Georgia Criminal Justice Coordinating Council			
Voilence Against Women	21,540	21,540	-
Voilence Against Women	70,700	70,700	-
Total Georgia Criminal Justice Coordinating Council	92,240	92,240	-
Total State Awards	$ 1,030,969	$ 1,030,969	$ -

1. Basis of Presentation

The accompanying schedule of expenditures of state awards includes the state grant activity of New American Pathways, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

New American Pathways, Inc.
Schedule of Findings and Questioned Costs
September 30, 2015

Section I - Summary of Auditors Results

Financial Statements
An unqualified auditors report was issued.

Internal Control over financial reporting:

• Material weakness(es) identified?	______	Yes	X	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	______	Yes	X	None reported
Noncompliance material to financial statements noted?	______	Yes	X	No

Federal Awards
Internal Control over financial reporting:

• Material weakness(es) identified?	______	Yes	X	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	______	Yes	X	None reported

An unqualified compliance report was issued.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	______	Yes	X	No

Identification of Major Programs:

Federal CFDA Number	Name
93.567	Refugee and Entrant Assistance
19.510	U.S. Refugee Admissions Program

Dollar threshold used to distinguish between type A and type B programs: $ 300,000

Auditee qualified as a low risk auditee?	______	Yes	X	No

Section II- Financial Statement Findings

There were no reportable conditions identified to be material weaknesses.

Section III- Federal Award Findings & Questioned Costs

There were no reportable conditions identified to be material weaknesses.

–End of Report–