

**New American Pathways, Inc.
Audited Financial Statements
September 30, 2017 and 2016**

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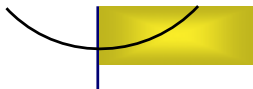
New American Pathways, Inc.
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September 30, 2017

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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 statements of financial positions as of September 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years 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, 2017 and 2016, 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.

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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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 20, 2018, 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 20, 2018

New American Pathways, Inc.
 Statements of Financial Position
 As of September 30, 2017 and 2016

| Assets | <u>2017</u> | <u>2016</u> |
|---|----------------------------|----------------------------|
| Current assets | | |
| Cash | \$ 1,007,201 | \$ 627,086 |
| Accounts receivable ^(note 3) | 623,682 | 1,168,121 |
| Inventory ^(note 1) | 519 | 10,051 |
| Prepays and other assets ^(note 4) | 24,676 | 73,021 |
| Investment | 1,017 | - |
| Total current assets | <u>1,657,095</u> | <u>1,878,279</u> |
| Long-term assets | | |
| Property and equipment ^{(net) (note 5)} | <u>297,629</u> | <u>383,024</u> |
| Total long-term assets | <u>297,629</u> | <u>383,024</u> |
| Total Assets | <u><u>\$ 1,954,724</u></u> | <u><u>\$ 2,261,303</u></u> |
| Liabilities and Net Assets | | |
| Current liabilities | | |
| Accounts payable & accrued expenses ^(note 6) | \$ 128,998 | \$ 117,762 |
| Deferred revenue ^(note 7) | 85,158 | 85,960 |
| Other liabilities | 3,272 | - |
| Total current liabilities | <u>217,428</u> | <u>203,722</u> |
| Total liabilities | <u>217,428</u> | <u>203,722</u> |
| Net assets | | |
| Unrestricted net assets | 1,052,576 | 1,036,532 |
| Temporarily restricted net assets ^(note 11) | 684,720 | 1,021,049 |
| Permanently restricted net assets | - | - |
| Total net assets | <u>1,737,296</u> | <u>2,057,581</u> |
| Total Liabilities & Net Assets | <u><u>\$ 1,954,724</u></u> | <u><u>\$ 2,261,303</u></u> |

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

New American Pathways, Inc.
 Statements of Activities
 For the year ended September 30, 2017

| | Year ended September 30, 2017 | | | |
|--|-------------------------------|------------------------|------------------------|--------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
| Revenues | | | | |
| Contributions | \$ 1,090,011 | \$ 65,964 | \$ - | \$ 1,155,975 |
| Program services | 3,271,143 | - | - | 3,271,143 |
| Donations In-kind | 192,047 | - | - | 192,047 |
| Other income | 8,247 | - | - | 8,247 |
| Total revenues | 4,561,448 | 65,964 | - | 4,627,412 |
| Net assets released from restrictions | 402,293 | (402,293) | - | - |
| Expenses | | | | |
| Program services | | | | |
| Social Services | 526,132 | - | - | 526,132 |
| Reception and Placement | 1,178,948 | - | - | 1,178,948 |
| AmeriCorps | 512,233 | - | - | 512,233 |
| Match Grant | 622,390 | - | - | 622,390 |
| Other Programs | 1,563,832 | - | - | 1,563,832 |
| Support services | | | | |
| Management and general | 389,240 | - | - | 389,240 |
| Fundraising | 157,828 | - | - | 157,828 |
| Total expenses | 4,950,603 | - | - | 4,950,603 |
| Change in net assets from operations | 13,138 | (336,329) | - | (323,191) |
| Other income and expenses | | | | |
| Interest income | 889 | - | - | 889 |
| Gain on sale of asset | 2,017 | - | - | 2,017 |
| Total other income and expenses | 2,906 | - | - | 2,906 |
| Change in net assets | 16,044 | (336,329) | - | (320,285) |
| Net assets at beginning of year | 1,036,532 | 1,021,049 | - | 2,057,581 |
| Net assets at end of year | \$ 1,052,576 | \$ 684,720 | \$ - | \$ 1,737,296 |

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

New American Pathways, Inc.
 Statements of Activities
 For the year ended September 30, 2016

| | Restated Year ended September 30, 2016 | | | |
|--|---|---------------------------|---------------------------|--------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
| Revenues | | | | |
| Contributions | \$ 1,205,143 | \$ 967,600 | \$ - | \$ 2,172,743 |
| Program services | 3,201,157 | - | - | 3,201,157 |
| Donations In-kind | 290,252 | - | - | 290,252 |
| Other income | 13,321 | - | - | 13,321 |
| Total revenues | 4,709,873 | 967,600 | - | 5,677,473 |
| Net assets released from restrictions | 393,572 | (393,572) | - | - |
| Expenses | | | | |
| Program services | | | | |
| Social Services | 581,716 | - | - | 581,716 |
| Reception and Placement | 990,607 | - | - | 990,607 |
| AmeriCorps | 501,291 | - | - | 501,291 |
| Match Grant | 947,931 | - | - | 947,931 |
| Other Programs | 1,083,731 | - | - | 1,083,731 |
| Support services | | | | |
| Management and general | 489,173 | - | - | 489,173 |
| Fundraising | 261,845 | - | - | 261,845 |
| Merger expenses ^(note 2) | 88,083 | - | - | 88,083 |
| Total expenses | 4,944,377 | - | - | 4,944,377 |
| Change in net assets from operations | 159,068 | 574,028 | - | 733,096 |
| Other income and expenses | | | | |
| Interest income | 226 | - | - | 226 |
| Loss on sale of asset | (723) | - | - | (723) |
| Total other income and expenses | (497) | - | - | (497) |
| Change in net assets | 158,571 | 574,028 | - | 732,599 |
| Net assets at beginning of year | 877,961 | 447,021 | - | 1,324,982 |
| Net assets at end of year | \$ 1,036,532 | \$ 1,021,049 | \$ - | \$ 2,057,581 |

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, 2017

| | Program Services | | | | | Support Services | | Total |
|---------------------------------|------------------|-------------------------|------------|-------------|----------------|------------------------|-------------|--------------|
| | Social Services | Reception and Placement | AmeriCorps | Match Grant | Other Programs | Management and General | Fundraising | |
| Salaries | \$ 323,384 | \$ 372,954 | \$ 384,177 | \$ 112,942 | \$ 697,056 | \$ 249,661 | \$ 82,799 | \$ 2,222,973 |
| Benefits | 49,660 | 70,013 | 60,447 | 20,524 | 133,143 | 44,496 | 19,001 | 397,284 |
| Payroll taxes | 28,781 | 26,024 | 29,918 | 8,965 | 60,689 | 20,264 | 6,292 | 180,933 |
| Total compensation and benefits | 401,825 | 468,991 | 474,542 | 142,431 | 890,888 | 314,421 | 108,092 | 2,801,190 |
| Administrative fees | 143 | 120 | 150 | 1 | 4,140 | - | - | 4,554 |
| Background checks | 1,772 | 1,715 | 1,700 | 148 | 11,486 | - | - | 16,821 |
| Bank fees | - | - | - | - | 2,587 | 360 | - | 2,947 |
| Client assistance | 2,246 | 540,859 | 2,255 | 429,503 | 218,605 | 468 | - | 1,193,936 |
| Conference and training | 1,315 | 1,914 | 2,893 | 1,021 | 17,200 | - | 178 | 24,521 |
| Consultants/ interpreters | 2,937 | 21,123 | - | 3,451 | 10,912 | 15,466 | 8,814 | 62,703 |
| Dues and subscriptions | 2,334 | 936 | - | 299 | 19,217 | 5,749 | - | 28,535 |
| In-kind expenses | - | 14 | 11,639 | - | 1,108 | - | - | 12,761 |
| Insurance | 4,986 | 4,436 | - | 2,114 | 28,549 | - | - | 40,085 |
| Meals and entertainment | - | - | - | - | - | - | 15,801 | 15,801 |
| Miscellaneous | 245 | 16,166 | - | - | 4,770 | 2,975 | 1,043 | 25,199 |
| Non-capitalized equipment | 80 | 83 | - | 122 | 489 | - | - | 774 |
| Other | - | - | - | - | - | 1,099 | - | 1,099 |
| Postage | 948 | 332 | - | 151 | 10,206 | 158 | 68 | 11,863 |
| Printing and copying | 290 | 239 | - | 13 | 4,776 | - | 778 | 6,096 |
| Professional fees | 8,036 | 9,126 | 5,133 | 2,738 | 30,377 | 1,199 | - | 56,609 |
| Rent | 35,041 | 32,454 | - | 17,592 | 93,916 | - | 19,316 | 198,319 |
| Repairs and maintenance | 12,616 | 20,961 | - | 7,477 | 57,223 | 24,839 | - | 123,116 |
| Storage | 459 | 12,241 | - | 150 | 4,130 | - | - | 16,980 |
| Supplies | 4,717 | 2,556 | 411 | 1,295 | 16,325 | 428 | 3,738 | 29,470 |
| Telephone | 5,517 | 9,469 | - | 2,279 | 20,938 | - | - | 38,203 |
| Travel | 16,711 | 24,851 | 13,510 | 2,340 | 27,063 | 257 | - | 84,732 |
| Interest | - | - | - | - | 132 | - | - | 132 |
| Depreciation | 23,914 | 10,362 | - | 9,265 | 88,795 | 21,821 | - | 154,157 |
| Total expenses | \$ 526,132 | \$ 1,178,948 | \$ 512,233 | \$ 622,390 | \$ 1,563,832 | \$ 389,240 | \$ 157,828 | \$ 4,950,603 |

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, 2016

| | Program Services | | | | | Support Services | | Merger Costs (note 2) | Total |
|---------------------------------|--------------------|----------------------------|------------|----------------|-------------------|---------------------------|-------------|--------------------------|--------------|
| | Social Services | Reception and Placement | AmeriCorps | Match Grant | Other Programs | Management and General | Fundraising | | |
| Salaries | \$ 337,911 | \$ 212,615 | \$ 366,583 | \$ 185,358 | \$ 575,131 | \$ 289,719 | \$ 127,275 | \$ 42,153 | \$ 2,136,745 |
| Benefits | 49,111 | 34,004 | 39,616 | 27,313 | 107,768 | 46,098 | 15,869 | 12,780 | 332,559 |
| Payroll taxes | 29,020 | 17,695 | 36,539 | 15,895 | 48,825 | 24,852 | 8,528 | 3,282 | 184,636 |
| Total compensation and benefits | 416,042 | 264,314 | 442,738 | 228,566 | 731,724 | 360,669 | 151,672 | 58,215 | 2,653,940 |
| Administrative fees | 170 | 243 | - | 161 | 813 | 241 | 422 | - | 2,050 |
| Background checks | 486 | 1,475 | 1,888 | 4,704 | 4,475 | 2,074 | 955 | - | 16,057 |
| Bank fees | - | - | - | - | - | 655 | - | 416 | 1,071 |
| Client assistance | 1,757 | 603,571 | - | 625,964 | 10,842 | 67 | - | - | 1,242,201 |
| Conference and training | 412 | 1,436 | 5,078 | 1,686 | 7,362 | 729 | 637 | - | 17,340 |
| Consultants/ interpreters | 53,726 | 23,382 | - | 8,356 | 29,463 | - | 10,088 | - | 125,015 |
| Dues and subscriptions | 2,908 | 1,575 | - | 5,822 | 14,632 | 3,277 | 1,586 | 2,720 | 32,520 |
| Fundraising | - | - | - | - | - | - | 36,210 | - | 36,210 |
| Insurance | 8,330 | 7,840 | 6,073 | 6,497 | 24,687 | 32,139 | 3,852 | 942 | 90,360 |
| Marketing and branding | - | 100 | - | - | 50 | 370 | 775 | - | 1,295 |
| Meals and entertainment | - | - | - | - | - | 181 | - | - | 181 |
| Member housing | - | - | 13,548 | - | - | - | - | - | 13,548 |
| Miscellaneous | - | - | - | - | 12,961 | 9,204 | 321 | - | 22,486 |
| Non-capitalized equipment | 13 | 12 | - | 11 | 24 | 43 | 9 | - | 112 |
| Office supplies | 7,038 | 6,455 | 3,146 | 4,925 | 17,656 | 13,462 | 4,203 | 1,252 | 58,137 |
| Other | - | - | - | - | - | 1,602 | - | - | 1,602 |
| Postage | 108 | 218 | - | 113 | 4,622 | 137 | 137 | - | 5,335 |
| Printing and copying | - | - | - | - | - | - | 1,157 | - | 1,157 |
| Professional fees | 10,424 | 6,263 | 10,675 | 4,794 | 19,566 | 16,636 | 11,710 | 24,264 | 104,332 |
| Rent | 26,309 | 21,350 | - | 22,998 | 60,849 | 24,484 | 15,636 | - | 171,626 |
| Repairs and maintenance | 9,402 | 9,021 | - | 8,636 | 29,513 | 12,051 | 6,646 | 213 | 75,482 |
| Storage | 235 | 11,856 | - | 481 | 1,990 | 494 | 234 | - | 15,290 |
| Supplies | 1,946 | 443 | 1,000 | 54 | 16,172 | - | 2,674 | - | 22,289 |
| Telephone | 3,034 | 3,288 | - | 2,350 | 12,326 | 2,583 | 1,159 | - | 24,740 |
| Travel | 22,676 | 14,339 | 17,145 | 5,949 | 27,016 | 1,491 | 830 | 61 | 89,507 |
| Depreciation | 16,700 | 13,426 | - | 15,864 | 56,988 | 6,584 | 10,932 | - | 120,494 |
| Total expenses | \$ 581,716 | \$ 990,607 | \$ 501,291 | \$ 947,931 | \$ 1,083,731 | \$ 489,173 | \$ 261,845 | \$ 88,083 | \$ 4,944,377 |

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

New American Pathways, Inc.
 Statements of Cash Flows
 For the years ended September 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|--|----------------------------|--------------------------|
| Cash flow from operating activities: | | |
| Change in net assets | \$ (320,285) | \$ 732,599 |
| Reconciliation of change in net assets to net cash provided (required) by operating activities: | | |
| Depreciation ^(note 5) | 154,157 | 120,494 |
| (Gain) Loss on investment and disposal of vehicle | (2,017) | 723 |
| Change in operating assets and liabilities | | |
| (Increase) decrease in assets: | | |
| Accounts receivable | 544,439 | (578,456) |
| Inventory | 9,532 | (2,210) |
| Prepays and other assets | 48,345 | (65,978) |
| Increase (decrease) in liabilities: | | |
| Accounts payable | 11,236 | (91,361) |
| Other liabilities | 3,272 | - |
| Deferred revenue | (802) | (30,671) |
| Net cash provided by operating activities | <u>447,877</u> | <u>85,140</u> |
| Cash flow from investing activities: | | |
| Purchase of Equity Fund | (1,000) | - |
| Purchase of property and equipment | (66,762) | (21,952) |
| Purchase of property and equipment for merger | - | (38,939) |
| Proceeds from sale of Property and equipment | - | 2,000 |
| Net cash required by investing activities | <u>(67,762)</u> | <u>(58,891)</u> |
| Cash flow from financing activities: | | |
| Proceeds from line of credit | 50,000 | - |
| Payments on line of credit | (50,000) | - |
| Net cash required by financing activities | <u>-</u> | <u>-</u> |
| Net increase in cash | <u>380,115</u> | <u>26,249</u> |
| Beginning balance of cash | <u>627,086</u> | <u>600,837</u> |
| Ending balance of cash | <u><u>\$ 1,007,201</u></u> | <u><u>\$ 627,086</u></u> |
| <u>Supplemental Disclosure of Cash Flow Information:</u> | | |
| Cash paid during the year for interest | \$ 132 | \$ - |
| Cash paid during the year for income taxes | \$ - | \$ - |

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

New American Pathways, Inc.

Notes to the Financial Statements

September 30, 2017 and 2016

1. Organization and summary of significant accounting policies

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.

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.

Unrestricted net assets

These are assets that are not subject to donor imposed or grantor-imposed restrictions.

New American Pathways, Inc.

Notes to the Financial Statements

September 30, 2017 and 2016

Temporarily restricted assets

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.

Permanently restricted net assets

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, 2017 and 2016, total inventory was \$519 and \$10,051, respectively.

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:

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2017 and 2016

| 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 exempt from federal income taxes under Section 501(C) (3) of the Internal Revenue Code. The Organization is also exempt from Georgia income taxes and, therefore, has made no provision for federal or Georgia income taxes. In addition, the Internal Revenue Services has determined that the Organization is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

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.

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2017 and 2016

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.

2. Merger

On October 1, 2014, RRISA and RFS merged to form the Organization. In accordance with ASC No. 958-805, Not-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. As of September 30, 2017 and 2016, a summary of the contributions received and expenses incurred for the merger activities are outlined below:

| | <u>2017</u> | <u>2016</u> |
|---|-----------------|------------------|
| Beginning balance | \$ 65,634 | \$ 300,670 |
| Contributions | - | 11,800 |
| Merger expenses | - | (88,083) |
| Operating expenses | (55,764) | (119,814) |
| Purchase of property and equipment | - | (38,939) |
| Net assets restricted for merger activities | <u>\$ 9,870</u> | <u>\$ 65,634</u> |

The balance of Net asset restricted from merger activities has been included in temporarily restricted net assets on the Statement of Financial Position.

3. Accounts receivable

Accounts receivable as of September 30, 2017 and 2016 consisted of the following:

| | <u>2017</u> | <u>2016</u> |
|---|-------------------|---------------------|
| Georgia Department of Human Services | \$ 148,050 | \$ 82,508 |
| Episcopal Migration Ministries | 140,695 | 97,591 |
| Georgia Department of Community Affairs | 98,563 | 49,555 |
| Church World Service | 85,233 | 290,476 |
| Criminal Justice Coordinating Council | 61,744 | 63,320 |
| Department of Homeland Security | 35,325 | - |
| DeKalb City Schools | 16,026 | - |
| Others | 38,046 | 34,671 |
| The Goizueta Foundation | - | 550,000 |
| Total accounts receivable | <u>\$ 623,682</u> | <u>\$ 1,168,121</u> |

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2017 and 2016

4. Prepaid and other assets

As of September 30, 2017 and 2016, prepaid and other assets consisted of the following:

| | <u>2017</u> | <u>2016</u> |
|---------------------------------|------------------|------------------|
| Prepaid expenses | \$ 21,227 | \$ 72,212 |
| Prepaid insurance | 2,356 | - |
| Prepaid groceries | 453 | - |
| Utility deposits | 300 | 300 |
| Other | 340 | 509 |
| Total prepaids and other assets | <u>\$ 24,676</u> | <u>\$ 73,021</u> |

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2017 and 2016

5. Property and equipment

As of September 30, 2017 and 2016, property and equipment consisted of the following:

| | 2015 | Additions | Disposals | 2016 | Additions | Disposals | 2017 |
|-----------------------------------|-------------------|--------------------|-------------------|-------------------|--------------------|-------------|-------------------|
| Equipment | \$ 285,100 | \$ 31,712 | \$ - | \$ 316,812 | \$ 24,972 | \$ - | \$ 341,784 |
| Furniture and fixtures | 125,305 | - | - | 125,305 | - | - | 125,305 |
| Vehicles | 36,308 | 29,179 | (7,427) | 58,060 | 43,790 | - | 101,850 |
| Leasehold improvements | 159,253 | - | - | 159,253 | - | - | 159,253 |
| Total cost | 605,966 | 60,891 | (7,427) | 659,430 | 68,762 | - | 728,192 |
| Less: accumulated depreciation | (160,616) | (120,494) | 4,704 | (276,406) | (154,157) | - | (430,563) |
| Total property and equipment, net | <u>\$ 445,350</u> | <u>\$ (59,603)</u> | <u>\$ (2,723)</u> | <u>\$ 383,024</u> | <u>\$ (85,395)</u> | <u>\$ -</u> | <u>\$ 297,629</u> |

For the years ended September 30, 2017 and 2016, depreciation expense in the amount of \$154,157 and \$120,494, respectively, were recorded in the statements of activities.

6. 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, 2017 and 2016 consisted of the following:

| | <u>2017</u> | <u>2016</u> |
|------------------------------------|-------------------|-------------------|
| Compensated absences | \$ 65,485 | \$ 84,042 |
| Credit cards payable | 6,166 | 20,101 |
| Accounts payable and other accrued | 57,347 | 13,619 |
| Total | <u>\$ 128,998</u> | <u>\$ 117,762</u> |

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2017 and 2016

Compensated 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 80 hours. The Organization has recorded an accrued liability for paid time off as of September 30, 2017 and 2016 totaling \$65,485 and \$84,042, respectively.

7. Deferred revenue

The Organization records certain federal grant awards as deferred revenue until related services are performed, at which time they are recognized as revenue. As of September 30, 2017 and 2016 deferred revenue totaled \$85,158 and \$85,960, respectively.

8. Concentrations and risks

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 and political 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.

Economic and political risk

In March 2017, certain executive orders and court rulings were issued that may affect the overall number of refugees that may be allowed into the United States. The Organization continues to monitor and assess actions that may impact changes to refugee programs.

9. Leases

The total lease expense recorded in the statement of activities for the years ended September 30, 2017 and 2016 were \$198,319 and \$171,626, respectively. On October 12, 2012, the Organization entered into a 65 month lease agreement commencing on December 15, 2012. The annual minimum required payments under the agreement are as follows:

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2017 and 2016

| Year ended September 30, | |
|-----------------------------|-------------------|
| 2018 | 112,602 |
| Total | <u>\$ 112,602</u> |

10. Line of credit

As of September 30, 2017 and 2016, line of credit consisted of the following:

| Collateral | Line of credit | 2017 | 2016 | Interest rate | Maturity Date | Principal amortization | Prepayment penalty |
|------------|----------------|---------------------|---------------------|---------------|---------------|------------------------|--------------------|
| | | Outstanding balance | Outstanding balance | | | | |
| Unsecured | \$ 200,000 | \$ - | \$ - | Prime + 1% | 7/7/2018 | No | No |

| Line of Credit | 2016 | 2016 | 2016 | 2016 | 2017 | 2017 | 2017 |
|----------------|-------------------|----------|------------|----------------|-----------|-------------|----------------|
| | Beginning Balance | Drawdown | Repayments | Ending Balance | Drawdown | Repayments | Ending Balance |
| Line of Credit | \$ - | \$ - | \$ - | \$ - | \$ 50,000 | \$ (50,000) | \$ - |

11. Temporarily and permanently restricted net assets

Temporarily and permanently restricted net assets consist of the following as of September 30, 2017 and 2016:

| | <u>2017</u> | <u>2016</u> |
|--|-------------------|---------------------|
| The Goizueta Foundation | \$ 625,000 | \$ 875,000 |
| City of Atlanta | 7,000 | - |
| Merger Activites | 9,870 | 65,634 |
| The Zeist Foundation, Inc. | - | 37,500 |
| Fund A Need | 27,875 | 24,600 |
| Pro Georgia | 8,004 | 10,209 |
| Church World Services | - | 4,907 |
| Coalition of Refugee Service Agencies | 3,174 | 2,384 |
| Young Women's Leadership Program Scholarship | 3,797 | 815 |
| Total temporary restricted net assets | <u>\$ 684,720</u> | <u>\$ 1,021,049</u> |

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2017 and 2016

12. 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.



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, 2017, 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 20, 2018.

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,

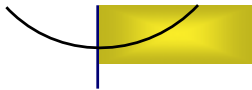
regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such 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 20, 2018



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

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 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, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and Uniform Guidance 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, 2017.

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 Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bambo Sonaike CPA, LLC

March 20, 2018

New American Pathways, Inc.
 Schedule of Expenditures of Federal Awards
 For the year ended September 30, 2017

| Federal Grantor/ Pass-through Grantor/ Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Federal Expenditures | Pass-through to Subrecipients |
|--|---------------------|--|----------------------|-------------------------------|
| U.S. Department of Health and Human Services: | | | | |
| Pass-through from Church World Services: | | | | |
| Match Grant Program | 93.567 | 90RV0069-03-01 | \$ 18,014 | \$ - |
| Match Grant Program | 93.567 | 90RV0069-03-00 | 229,213 | - |
| Pass-through from Episcopal Migration Ministries | | | | |
| Match Grant Program | 93.567 | 90RV0060/03-01 | 41,834 | - |
| Match Grant Program | 93.567 | 90RV0065-03-00 | 167,662 | - |
| Preferred Communities | 93.576 | 90RP0105-03-00 | 59,200 | - |
| Pass-through from Georgia Department of Human Services | | | | |
| Information and referral | 93.566;93.584 | 42700-040-0000050417 | 108,125 | - |
| Immigration | 93.566;93.584 | 42700-040-0000050417 | 20,000 | - |
| Social adjustment | 93.566;93.584 | 42700-040-0000050417 | 101,550 | - |
| Employment | 93.566;93.584 | 42700-040-0000050417 | 166,475 | - |
| After School | 93.566;93.584 | 42700-040-0000050417 | 79,125 | - |
| DHS RSIG | 93.576 | 42700-040-0000054051 | 115,000 | - |
| Pass-through from Department of Human Development of DeKalb County | | | | |
| Dekalb County MIECHV | 93.505 | 13-902606 | 2,999 | - |
| Dekalb County MIECHV | 93.505 | 13-902606 | 121,171 | - |
| Dekalb County MIECHV | 93.505 | 13-902606 | 53,262 | - |
| Total U.S. Department of Health and Human Services | | | 1,283,630 | - |
| U.S. Department of State: | | | | |
| Pass-through from Church World Service | | | | |
| Reception and Placement Program | 19.510 | S-PRMCO-16-CA-1007 | 44,515 | - |
| Reception and Placement Program | 19.510 | SPRMCO17CA1012 | 407,750 | - |
| Pass-through from Episcopal Migration Ministries | | | | |
| Reception and Placement Program | 19.510 | S-PRMCO-16-CA-1008 | 38,244 | - |
| Reception and Placement Program | 19.510 | SPRMCO17CA1009S | 460,065 | - |
| Total U.S. Department of State | | | 950,574 | - |

New American Pathways, Inc.
 Schedule of Expenditures of Federal Awards (Continued)
 For the year ended September 30, 2017

| Federal Grantor/ Pass-through Grantor/ Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Federal Expenditures | Pass- through to Subrecipients |
|---|------------------------|---|-------------------------|--------------------------------------|
| Corporation for National and Community Service: | | | | |
| Pass-through from Georgia Department of Community Affairs | | | | |
| AmeriCorps | 94.006 | 16AC181975 | 274,621 | - |
| AmeriCorps | 94.006 | 17AC191576 | 24,402 | - |
| Total Corporation for National and Community Service | | | 299,023 | - |
| U.S. Department of Justice: | | | | |
| Pass-through from Georgia Criminal Justice Coordinating Council | | | | |
| Voilence Against Women | 16.588 | W15-8-042 | 25,677 | - |
| Voilence Against Women | 16.588 | W16-8-013 | 70,859 | - |
| Victims of Crime Act | 16.588 | C15-8-254 | 77,754 | - |
| Total U.S. Department of Justice | | | 174,290 | - |
| CDBG - Entitlement Grants Cluster | | | | |
| U.S. Department of Housing and Urban Development: | | | | |
| Pass-through from DeKalb County CDBG | | | | |
| Financial literacy | 14.218 | 1017311 | 17,659 | - |
| Financial literacy | 14.218 | 1017311 | 3,154 | - |
| Total U.S. Department of Housing and Urban Development | | | 20,813 | - |
| Total CDBG - Entitlement Grants Cluster | | | 20,813 | - |

New American Pathways, Inc.
 Schedule of Expenditures of Federal Awards (Continued)
 For the year ended September 30, 2017

| Federal Grantor/ Pass-through Grantor/ Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Federal Expenditures | Pass- through to Subrecipients |
|--|------------------------|---|-------------------------|--------------------------------------|
| Department of Homeland Security | | | | |
| Direct from Department of Homeland Security | | | | |
| Citizenship and Integration Direct Services | 97.010 | 2015-CS-010-000036 | 157,083 | 100,500 |
| Pass-through from Church World Services: | | | | |
| Cuban Haitian Service Program | 97.009 | 2014-CI-009-000002-03 | 194,733 | - |
| Cuban Haitian Walk-in | 97.009 | 2014-CI-009-000002-03 | 2,405 | - |
| Total Department of Homeland Security | | | 354,221 | 100,500 |
| Department of Education | | | | |
| Pass-through from Dekalb City Schools | | | | |
| Twenty-First Century Community Learning Centers | 84.287 | 18-11410-000-1 | 16,026 | - |
| Total Department of Education | | | 16,026 | - |
| Total Federal Awards | | | \$ 3,098,577 | \$ 100,500 |

New American Pathways, Inc.
Notes to the Schedule of Expenditures of Federal Awards
September 30, 2017

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of New American Pathways, Inc. (the "Organization") under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, change in net assets, or cash flows of the Organization.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable are limited as to reimbursement.

3. Indirect Cost Rate

The Organization has not elected to use the 10-percent de minimis cost rate allowed under the Uniform Guidance.

New American Pathways, Inc.
 Schedule of Expenditures of State Awards
 September 30, 2017

| State Grantor/ Pass-through Grantor/ Program Title | Revenues | Expenditures | Amount due from Agency |
|--|--------------|--------------|---------------------------|
| Georgia Department of Human Services | | | |
| Information and referral | \$ 108,125 | \$ 108,125 | \$ 18,000 |
| Immigration | 20,000 | 20,000 | 17,800 |
| Social adjustment | 101,550 | 101,550 | 37,110 |
| Employment | 166,475 | 166,475 | 36,515 |
| After school | 79,125 | 79,125 | 12,125 |
| Refugee service impact grant | 115,000 | 115,000 | 19,398 |
| Parents as teachers | 16,802 | 16,802 | 7,102 |
| Total Georgia Department of Human Services | 607,077 | 607,077 | 148,050 |
| Georgia Department of Community Affairs | | | |
| AmeriCorps Recovery | 274,621 | 274,621 | 74,161 |
| AmeriCorps Recovery | 24,402 | 24,402 | 24,402 |
| Total Georgia Department of Community Affairs | 299,023 | 299,023 | 98,563 |
| Georgia Criminal Justice Coordinating Council | | | |
| Voilence Against Women | 25,677 | 25,677 | - |
| Voilence Against Women | 70,859 | 70,859 | 26,990 |
| Victims of Crime Act | 77,754 | 77,754 | 34,784 |
| Total Georgia Criminal Justice Coordinating Council | 174,290 | 174,290 | 61,774 |
| Total State Awards | \$ 1,080,390 | \$ 1,080,390 | \$ 308,387 |

New American Pathways, Inc.
Notes to the Schedule of Expenditures of State Awards
September 30, 2017

1. Basis of Presentation

The accompanying schedule of expenditures of state awards (the "Schedule") includes the state grant activity of New American Pathways, Inc. (the "Organization") under programs of the state government for the year ended June 30, 2017. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, change in net assets, or cash flows of the Organization.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable are limited as to reimbursement.

3. Indirect Cost Rate

The Organization has not elected to use the 10-percent de minimis cost rate allowed under the Uniform Guidance.

New American Pathways, Inc.
 Schedule of Findings and Questioned Costs
 September 30, 2017

Section I - Summary of Auditors Results

Financial Statements

An unmodified auditors report was issued.

Internal Control over financial reporting:

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

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal Control over financial reporting:

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

An unmodified compliance report was issued.

Any audit findings that are required to be reported in accordance with Uniform Guidance?

Yes No

Identification of Major Programs:

Federal CFDA Number

19.510
 94.006
 97.009

Name
 Reception and Placement Program
 AmeriCorps Recovery
 Cuban Haitian Service Program

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as a low risk auditee?

Yes 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-