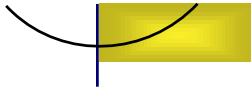


**New American Pathways, Inc.
Audited Financial Statements
September 30, 2019 and 2018**

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New American Pathways, Inc.
Table of Contents

	Page(s)
Report of Independent Auditor.....	1-2
 <u>Audited Financial Statements</u>	
Statements of Financial Position.....	3
Statements of Activities.....	4-5
Statements of Functional Expenses.....	6-7
Statements of Cash Flows.....	8
Notes to the Financial Statements.....	9-16
 <u>Single Audit / Supplementary Information</u>	
Report on Internal Control over Financial Reporting.....	17-18
Report on Compliance with Requirements.....	19-20
Schedule of Expenditures of Federal Awards.....	21-22
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



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, 2019 and 2018, 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, 2019 and 2018, 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 February 27, 2020, 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

February 27, 2020

New American Pathways, Inc.
 Statements of Financial Position
 As of September 30, 2019 and 2018

Assets	<u>2019</u>	<u>2018</u>
Current assets		
Cash	\$ 910,794	\$ 933,927
Accounts receivable ^(note 2)	492,117	669,180
Inventory	9,287	1,850
Prepays and other assets ^(note 3)	5,009	35,726
Investment	4,332	3,460
Total current assets	<u>1,421,539</u>	<u>1,644,143</u>
Long-term assets		
Property and equipment ^{(net) (note 4)}	<u>171,996</u>	<u>191,729</u>
Total long-term assets	171,996	191,729
Total Assets	<u><u>\$ 1,593,535</u></u>	<u><u>\$ 1,835,872</u></u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable & accrued expenses ^(note 5)	\$ 102,877	\$ 97,367
Deferred revenue ^(note 6)	16,934	43,553
Other liabilities	498	297
Total current liabilities	<u>120,309</u>	<u>141,217</u>
Total liabilities	120,309	141,217
Net assets		
Without donor restriction	1,473,226	1,137,025
With donor restriction	<u>-</u>	<u>557,630</u>
Total net assets	1,473,226	1,694,655
Total Liabilities & Net Assets	<u><u>\$ 1,593,535</u></u>	<u><u>\$ 1,835,872</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, 2019

	Year ended September 30, 2019		
	Without donor restriction	With donor restriction	Total
Revenues			
Contributions	\$ 1,315,980	\$ -	\$ 1,315,980
Program services	2,806,102	-	2,806,102
Donations In-kind	244,300	-	244,300
Other income	1,912	-	1,912
Total revenues	4,368,294	-	4,368,294
Net assets released from restrictions	557,630	(557,630)	-
Expenses			
Program services			
Advancement	851,113	-	851,113
Career services	954,181	-	954,181
Education and youth services	585,055	-	585,055
Family empowerment	420,079	-	420,079
Immigration	164,286	-	164,286
Resettlement and resource navigation	898,841	-	898,841
Support services			
Management and general	390,244	-	390,244
Fundraising	329,157	-	329,157
Total expenses	4,592,957	-	4,592,957
Change in net assets from operations	332,967	(557,630)	(224,663)
Other income and expenses			
Interest income	3,130	-	3,130
Gain or (loss) on investment and sale of asset	103	-	103
Total other income and expenses	3,233	-	3,233
Change in net assets	336,200	(557,630)	(221,430)
Net assets at beginning of year	1,137,025	557,630	1,694,655
Net assets at end of year	\$ 1,473,226	\$ -	\$ 1,473,226

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

New American Pathways, Inc.
 Statements of Activities
 For the year ended September 30, 2018

	Year ended September 30, 2018		
	Without donor restriction	With donor restriction	Total
Revenues			
Contributions	\$ 1,139,285	\$ 300,000	\$ 1,439,285
Program services	2,732,601	-	2,732,601
Donations In-kind	231,969	-	231,969
Other income	1,361	-	1,361
Total revenues	4,105,216	300,000	4,405,216
Net assets released from restrictions	427,090	(427,090)	-
Expenses			
Program services			
Advancement	863,291	-	863,291
Career services	931,399	-	931,399
Education and youth services	567,945	-	567,945
Family empowerment	430,962	-	430,962
Immigration	199,509	-	199,509
Resettlement and resource navigation	817,862	-	817,862
Support services			
Management and general	391,005	-	391,005
Fundraising	247,194	-	247,194
Total expenses	4,449,169	-	4,449,169
Change in net assets from operations	83,137	(127,090)	(43,953)
Other income and expenses			
Interest income	1,113	-	1,113
Gain or (loss) on investment and sale of asset	197	-	197
Total other income and expenses	1,310	-	1,310
Change in net assets	84,447	(127,090)	(42,643)
Net assets at beginning of year	1,052,577	684,720	1,737,297
Net assets at end of year	\$ 1,137,025	\$ 557,630	\$ 1,694,654

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, 2019

	Program Services					Support Services			Total
	Advancement	Career Services	Education and Youth Services	Family Empowerment	Immigration	Resettlement and Resource Navigation	Management and General	Fundraising	
Salaries	\$ 376,387	\$ 262,441	\$ 335,222	\$ 253,640	\$ 104,005	\$ 340,319	\$ 294,676	\$ 185,597	\$ 2,152,287
Benefits	71,602	29,617	51,473	50,795	33,356	35,875	60,348	32,035	365,101
Payroll taxes	38,243	16,475	25,287	19,762	7,232	23,324	20,052	11,454	161,829
Total compensation and benefits	486,231	308,533	411,981	324,197	144,594	399,519	375,076	229,086	2,679,217
Administrative fees	10,020	-	-	-	1,225	-	-	-	11,245
Background checks	2,554	1,794	2,626	329	491	2,089	-	445	10,328
Bank fees	6,228	63	-	-	-	-	-	-	6,291
Client assistance	10,683	220,386	103,780	36,035	449	389,828	15,768	4,459	781,388
Conference and training	(29,174)	487	448	7,213	3,361	395	-	46,846	29,575
Consultants/ interpreters	885	6,669	14,095	1,094	190	27,299	-	25,253	75,485
Dues and subscriptions	15,269	12,241	82	3,352	5,265	4,416	-	7,549	48,173
In-kind expenses	28,034	226,503	-	-	-	-	-	-	254,538
Insurance	28,143	14,995	-	1,417	2,051	3,406	-	-	50,011
Meals and entertainment	2,425	27,453	-	-	-	-	-	-	29,878
Miscellaneous	(5,521)	(684)	-	-	-	456	-	11,735	5,985
Non-capitalized equipment	-	2,571	-	-	17	-	-	-	2,588
Office supplies	27,892	14,428	115	4,035	487	5,413	-	60	52,429
Other	10,228	229	2,381	-	-	-	-	-	12,838
Postage	1,269	497	8	-	3,601	26	-	1,622	7,024
Printing and copying	13,751	-	-	-	-	-	-	1,646	15,397
Professional fees	17,880	7,176	6,868	6,579	1,941	6,608	50	165	47,267
Rent	110,876	53,904	-	12,358	-	13,316	-	-	190,454
Repairs and maintenance	37,541	14,558	-	3,438	-	5,841	-	-	61,378
Storage	191	682	-	1,051	-	22,987	-	-	24,912
Supplies	4,333	4,365	7,362	3,582	-	-	-	107	19,750
Telephone	13,911	7,099	3,249	3,597	319	3,221	(650)	-	30,746
Travel	3,006	6,747	32,060	11,803	295	11,253	-	184	65,347
Interest	285	-	-	-	-	-	-	-	285
Depreciation	54,175	23,486	-	-	-	2,769	-	-	80,429
Total expenses	\$ 851,113	\$ 954,181	\$ 585,055	\$ 420,079	\$ 164,286	\$ 898,841	\$ 390,244	\$ 329,157	\$ 4,592,957

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, 2018

	Program Services					Support Services			Total
	Advancement	Career Services	Education and Youth Services	Family Empowerment	Immigration	Resettlement and Resource Navigation	Management and General	Fundraising	
Salaries	\$ 505,232	\$ 302,348	\$ 300,279	\$ 246,872	\$ 111,608	\$ 321,561	\$ 303,540	\$ 152,298	\$ 2,243,736
Benefits	60,630	35,924	38,968	56,045	29,534	47,746	36,426	28,738	334,010
Payroll taxes	37,407	17,457	22,874	17,570	8,313	20,778	22,474	10,458	157,330
Total compensation and benefits	603,269	355,729	362,120	320,486	149,455	390,084	362,440	191,494	2,735,076
Administrative fees	1,867	-	-	-	-	-	-	-	1,867
Background checks	4,114	2,427	2,895	345	169	1,427	-	297	11,676
Bank fees	2,630	-	-	-	-	-	-	-	2,630
Client assistance	12,538	185,026	103,015	36,730	11,914	280,656	7,827	407	638,114
Conference and training	(34,951)	61	1,307	6,203	858	104	3,924	45,558	23,063
Consultants/ interpreters	19,001	8,981	16,868	4,125	2,146	14,847	-	-	65,967
Dues and subscriptions	7,711	2,884	437	3,189	5,291	2,905	50	3,446	25,913
In-kind expenses	21,175	219,549	-	-	-	-	-	-	240,724
Insurance	14,200	8,056	1,980	966	3,045	6,325	-	154	34,726
Meals and entertainment	2,419	29,257	-	-	-	-	1,534	-	33,210
Miscellaneous	238	154	-	463	5,950	1,504	-	1,563	9,871
Non-capitalized equipment	160	160	1,773	2,460	-	716	-	-	5,270
Office supplies	4,468	4,843	1,820	5,588	1,360	5,369	425	34	23,906
Other	68,910	19,285	4,982	-	1,050	13,407	-	-	107,634
Postage	407	-	-	12	4,120	53	-	662	5,254
Printing and copying	13,145	27	1,276	2,987	-	-	8,002	1,380	26,818
Professional fees	15,489	7,281	8,994	4,797	2,796	7,407	5,850	132	52,747
Rent	39,215	49,455	16,729	15,780	6,083	32,020	750	378	160,410
Repairs and maintenance	3,766	2,639	230	2,188	110	2,076	-	6	11,014
Storage	123	356	-	1,200	-	19,504	-	-	21,183
Supplies	3,533	993	1,433	6,020	21	204	203	-	12,407
Telephone	5,332	5,846	4,546	6,587	882	6,435	-	22	29,651
Travel	2,594	3,201	31,187	10,838	21	14,944	-	1,151	63,936
Interest	201	-	-	-	-	-	-	-	201
Depreciation	51,736	25,188	6,354	-	4,236	17,876	-	510	105,900
Total expenses	\$ 863,291	\$ 931,399	\$ 567,945	\$ 430,962	\$ 199,509	\$ 817,862	\$ 391,005	\$ 247,194	\$ 4,449,169

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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flow from operating activities:		
Change in net assets	\$ (221,430)	\$ (42,643)
Reconciliation of change in net assets to net cash provided (required) by operating activities:		
Depreciation	80,429	105,900
Change in fair market value on investments	(769)	-
(Gain) or loss on investment and sale of asset	(103)	(197)
Change in operating assets and liabilities		
(Increase) decrease in assets:		
Accounts receivable	177,063	(45,498)
Inventory	(7,438)	(1,332)
Prepays and other assets	30,717	(11,050)
Increase (decrease) in liabilities:		
Accounts payable	5,510	(31,631)
Other liabilities	201	(2,973)
Deferred revenue	(26,619)	(43,850)
Net cash provided (required) by operating activities	<u>37,562</u>	<u>(73,274)</u>
Cash flow from investing activities:		
Purchase of property and equipment	<u>(60,695)</u>	<u>-</u>
Net cash required by investing activities	(60,695)	-
Cash flow from financing activities:		
Proceeds from line of credit	130,000	50,000
Payments on line of credit	<u>(130,000)</u>	<u>(50,000)</u>
Net cash required by financing activities	-	-
Net increase (decrease) in cash	<u>(23,133)</u>	<u>(73,274)</u>
Beginning balance of cash	<u>933,927</u>	<u>1,007,201</u>
Ending balance of cash	<u><u>\$ 910,794</u></u>	<u><u>\$ 933,927</u></u>
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash paid during the year for interest	\$ 285	\$ 201
Cash paid during the year for income taxes	<u>\$ -</u>	<u>\$ -</u>

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

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2019 and 2018

1. Organization and summary of significant accounting policies

Organization

New American Pathways, Inc. (the Organization) created on October 1, 2014 as a 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). The Organization provides more than 5,000 refugees per year with the necessary tools to rebuild their lives and achieve long-term success. This includes specially designed programs that provide proven pathways for refugees and other immigrants to realize their full potential and dreams while becoming productive, contributing members of Georgia's communities.

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 two classes of net assets: without donor restrictions and with donor restrictions.

Without donor restrictions

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

With donor restrictions

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, these net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets are released from restriction.

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.

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2019 and 2018

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, which include unconditional promises to give (pledges), 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 without donor restrictions unless specifically restricted by the donor.

The Organization reports contributions in the with donor restrictions 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, restricted net assets are released and reclassified to without donor restriction net assets in the consolidated statement of activities.

New American Pathways, Inc.

Notes to the Financial Statements

September 30, 2019 and 2018

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 accounting pronouncements

In fiscal year 2018, the Organization adopted Financial Accounting Standards Board Accounting Standards Update No. 2016-14, Not-for-Profit Entities (Topic 958). This Update makes several improvements to current reporting requirements that address, among others, the following problems:

- a. Complexities about the use of the currently required three classes of net assets that focus on the absence or presence of donor-imposed restrictions and whether those restrictions are temporary or permanent
- b. Deficiencies in the transparency and utility of information useful in assessing an entity’s liquidity caused by potential misunderstandings and confusion about the term unrestricted net assets and how restrictions or limits imposed by donors, grantors, laws, contracts, and governing boards affect an entity’s liquidity, classes of net assets, and financial performance.
- c. Inconsistencies in the type of information provided about expenses of the period—for example, some, but not all, NFPs provide information about expenses by both nature and function.
- d. Impediment of preparing the indirect method reconciliation if an NFP chooses to use the direct method of presenting operating cash flows.

The adoption of this update did not have a significant impact on the Organization’s financial statements.

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2019 and 2018

2. Accounts receivable

Accounts receivable as of September 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
21st Century Community Learning Centers	\$ 64,018	\$ 46,008
Church World Services	253,052	208,522
Episcopal Migration Ministries	-	112,531
MIECHV Program	17,730	42,289
Georgia Department of Human Services	53,527	76,451
Criminal Justice Coordinating Council	36,130	74,732
Woodruff Foundation	18,416	-
Americorps	37,304	77,228
Others	11,940	31,419
Total accounts receivable	<u>\$ 492,117</u>	<u>\$ 669,180</u>

3. Prepaid and other assets

As of September 30, 2019 and 2018, prepaid and other assets consisted of the following:

	<u>2019</u>	<u>2018</u>
Prepaid expenses	\$ 553	\$ 35,086
Utility deposits	300	300
Other assets	4,156	340
Total prepaids and other assets	<u>\$ 5,009</u>	<u>\$ 35,726</u>

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2019 and 2018

4. Property and equipment

As of September 30, 2019 and 2018, property and equipment consisted of the following:

	<u>2017</u>	<u>Additions</u>	<u>Disposals</u>	<u>2018</u>	<u>Additions</u>	<u>Disposals</u>	<u>2019</u>
Equipment	\$ 341,784	\$ -	\$ -	\$ 341,784	\$ 60,695	\$ (89,093)	\$ 313,386
Furniture and fixtures	125,305	-	-	125,305	-	(25,860)	99,445
Vehicles	101,850	-	-	101,850	-	(18,500)	83,350
Leasehold improvements	159,253	-	-	159,253	-	(159,253)	-
Total cost	<u>728,192</u>	<u>-</u>	<u>-</u>	<u>728,192</u>	<u>60,695</u>	<u>(292,707)</u>	<u>496,181</u>
Less: accumulated depreciation	<u>(430,563)</u>	<u>(105,900)</u>	<u>-</u>	<u>(536,463)</u>	<u>(80,429)</u>	<u>292,707</u>	<u>(324,185)</u>
Total property and equipment, net	<u>\$ 297,629</u>	<u>\$ (105,900)</u>	<u>\$ -</u>	<u>\$ 191,729</u>	<u>\$ (19,734)</u>	<u>\$ -</u>	<u>\$ 171,996</u>

For the years ended September 30, 2019 and 2018, depreciation expense in the amount of \$80,429 and \$105,900 respectively, were recorded in the statements of activities.

5. 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, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Compensated absences	\$ 32,671	\$ 32,671
Credit cards payable	35,224	13,004
Accounts payable and other accrued	34,982	51,692
Total	<u>\$ 102,877</u>	<u>\$ 97,367</u>

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2019 and 2018

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, 2019 and 2018 totaling \$32,671 and \$32,671, respectively.

6. 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, 2019 and 2018 deferred revenue totaled \$16,934 and \$43,553, respectively.

7. Concentrations and risks

Significant 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 may be dependent upon current and future overall economic conditions. 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

Certain executive orders and court rulings were issued that has and continue to affect the overall number of refugees allowed into the United States. The Organization continues to monitor and assess actions that may impact changes to refugee programs.

8. Leases

The total lease expense recorded in the statement of activities for the years ended September 30, 2019 and 2018 were \$190,454 and \$160,410 respectively. The Organization entered into a lease agreement commencing on May 15, 2018. The annual minimum required payments under the agreement are as follows:

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2019 and 2018

Year ended September 30,	
2020	\$ 188,242
2021	193,419
2022	198,738
2023	160,099
Thereafter	-
Total	\$ 740,498

9. Line of credit

As of September 30, 2019 and 2018, line of credit consisted of the following:

Collateral	Line of credit	2019 Outstanding balance	2018 Outstanding balance	Interest rate	Maturity Date	Principal amortization	Prepayment penalty
Unsecured	\$ 300,000	\$ -	\$ -	Prime + 1%	7/7/2021	No	No
	2018 Beginning Balance	2018 Drawdown	2018 Repayments	2018 Ending Balance	2019 Drawdown	2019 Repayments	2019 Ending Balance
Line of Credit	\$ -	\$ 50,000	\$ (50,000)	\$ -	\$ 130,000	\$ (130,000)	\$ -

10. With donor restriction net assets

Net assets with donor restriction consist of the following as of September 30, 2019 and 2018:

	2019	2018
The Goizueta Foundation	\$ -	\$ 350,000
Coca Cola	-	200,000
Merger Activites	-	2,456
Coalition of Refugee Service Agencies	-	5,174
Total with donor restriction net assets	\$ -	\$ 557,630

These assets are restricted only with relation to purpose and the organization expects to utilize them within a commercially reasonable time.

11. Financial assets and liquidity management

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2019 and 2018

Cash and equivalents	\$	910,794
Accounts receivable		492,117
Total	\$	<u>1,402,911</u>

The Organization has the policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

12. Methods used for allocation of expenses from management and general activities

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Those expenses include salaries, benefits, occupancy, program expenses and depreciation. All costs are allocated based on time and effort and depreciation is allocated directly to a specific programs.

13. Commitments and contingencies

The Organization participates in federal and state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Organization has not complied with the rules and regulations governing grants, refunds of any money received may be required and the collectability of any related receivable at September 30, 2019 may be impaired. In the opinion of the Organization, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore no provision has been recorded in the accompanying financial statements for such contingencies.

14. 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, 2019, 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 February 27, 2020.

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 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

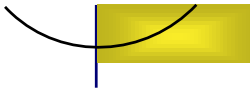
compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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.

Bamba Sonaike CPA, LLC

February 27, 2020



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, 2019. 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, 2019.

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

February 27, 2020

New American Pathways, Inc.
Schedule of Expenditures of Federal Awards
For the year ended September 30, 2019

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:				
Refugee and Entrant Assistance - Voluntary Agency / Match Grant Programs	93.567	90RV0069-03-00; 1801NYRVMG-01	\$ 462,300	-
Pass-through from Episcopal Migration Ministries				
Refugee and Entrant Assistance - Voluntary Agency / Match Grant Programs	93.567	90RV0065-03-00; 90RV0065	99,546	-
Total CFDA # 93.567			561,846	-
Pass-through from Georgia Department of Human Services				
DHS RSIG	93.576	42700-040-0000054051	91,000	-
Total CFDA # 93.576			91,000	-
Pass-through from Georgia Department of Human Services				
Refugee and Entrant Assistance - State Administered	93.566	42700-040-0000060742	357,799	-
Pass-through from Department of Human Development of DeKalb County				
DeKalb County MIECHV	93.505	13-902606	173,292	-
Total U.S. Department of Health and Human Services			1,183,937	-
U.S. Department of State:				
Pass-through from Church World Services				
Reception and Placement Program	19.510	S-PRMCO-18-CA-0010; SPRMCO17CA1012	606,536	-
Pass-through from Episcopal Migration Ministries				
Reception and Placement Program	19.510	SPRMCO17CA1009S; S- PRMCO-16-CA-1009	90,692	-
Total CFDA # 19.510			697,228	-
Total U.S. Department of State			697,228	-

Schedule of Expenditures of Federal Awards continues on next page.

New American Pathways, Inc.
Schedule of Expenditures of Federal Awards (Continued)
For the year ended September 30, 2019

Corporation for National and Community Service:

Pass-through from Georgia Department of Community Affairs

AmeriCorps Recovery	94.006	17AC191576; 18AC202089	248,917	-
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Total Corporation for National and Community Service			<u>248,917</u>	<u>-</u>
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Department of Justice

Pass-through from CJCC

Violence Against Women / Victims of Crime Act	16.588	C16-8-180	188,576	-
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Total Department of Justice			<u>188,576</u>	<u>-</u>
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Department of Housing and Urban Development

Pass-through from Dekalb CDBG

Financial literacy	14.218	1084616	23,000	-
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Total Department of Housing and Urban Development			<u>23,000</u>	<u>-</u>
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Department of Education

Pass-through from Dekalb City Schools

Twenty-First Century Community Learning Centers	84.287	18-11410-000-1	323,256	-
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Total Department of Education			<u>323,256</u>	<u>-</u>
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Total Federal Awards			<u><u>\$ 2,664,914</u></u>	<u><u>\$ -</u></u>
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New American Pathways, Inc.
Notes to the Schedule of Expenditures of Federal Awards
For the year ended September 30, 2019

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of New American Pathways, Inc. (the "Organization") under programs of the federal government for the year ended September 30, 2019. 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
 For the year ended September 30, 2019

State Grantor/ Pass-through Grantor/ Program Title	Revenues	Expenditures	Amount due from Agency
Georgia Department of Human Services			
DHS RSIG	\$ 91,000	\$ 91,000	\$ -
Refugee and Entrant Assistance - State Administered	357,799	357,799	-
Total Georgia Department of Human Services	448,799	448,799	-
Georgia Department of Community Affairs			
AmeriCorps Recovery	248,917	248,917	18,416
Total Georgia Department of Community Affairs	248,917	248,917	18,416
Georgia Criminal Justice Coordinating Council			
Violence Against Women / Victims of Crime Act	188,576	188,576	53,527
Total Georgia Criminal Justice Coordinating Council	188,576	188,576	53,527
Total State Awards	\$ 886,292	\$ 886,292	\$ 71,943

New American Pathways, Inc.
Schedule of Expenditures of State Awards
For the year ended September 30, 2019

1. Basis of Presentation

The accompanying schedule of expenditures of state awards includes the state grant activity of New American Pathways, Inc. (the "Organization") under programs of the state government for the year ended September 30, 2019. 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 and 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
 For the year ended September 30, 2019

Section I - Summary of Auditors Result

Financial Statements

Type of auditor's report issued	Un-modified
<u>Internal control over financial reporting:</u>	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weakness?	None reported
Non-compliance material to financial statements noted?	No

Federal Awards

<u>Internal control over financial reporting:</u>	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weakness?	None reported
Non-compliance material to financial statements noted?	No
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	No

<u>Identification of major federal programs:</u>	<u>CFDA Numbers</u>
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Refugee and Entrant Assistance - Voluntary Agency / Match Grant Programs	93.567
Violence Against Women / Victims of Crime Act	16.588
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as a low risk auditee?	Yes

Section II - Financial Statement Findings

There were no reportable conditions identified to be material weakness.

Section III - Federal Awards Findings & Questioned Costs

There were no reportable conditions identified to be material weakness.

-End of Report-