

**New American Pathways, Inc.
Audited Financial Statements
September 30, 2021 and 2020**

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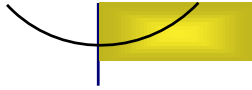
New American Pathways, Inc.
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INDEPENDENT AUDITORS' REPORT

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, 2021 and 2020, 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, 2021 and 2020, 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 17, 2022, 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 17, 2022

New American Pathways, Inc.
 Statements of Financial Position
 For the year ended September 30, 2021 and 2020

Assets	<u>2021</u>	<u>2020</u>
Current assets		
Cash	\$ 2,476,690	\$ 1,769,179
Accounts receivable ^(note 2)	781,787	1,157,298
Inventory	10,502	11,862
Prepays and other assets ^(note 3)	31,243	34,087
Investment	33,995	11,769
Total current assets	<u>3,334,217</u>	<u>2,984,195</u>
Long-term assets		
Property and equipment ^{(net) (note 4)}	<u>197,395</u>	<u>91,566</u>
Total long-term assets	<u>197,395</u>	<u>91,566</u>
Total Assets	<u><u>\$ 3,531,612</u></u>	<u><u>\$ 3,075,761</u></u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable & accrued expenses ^(note 5)	\$ 268,590	\$ 79,060
Deferred revenue ^(note 6)	36,051	24,872
Other liabilities	42,827	-
Total current liabilities	<u>347,468</u>	<u>103,932</u>
Long-term Liabilities		
Note payable ^(note 9)	-	<u>471,300</u>
Total long-term liabilities	-	<u>471,300</u>
Total liabilities	<u>347,468</u>	<u>575,231</u>
Net assets		
Without donor restriction	3,184,144	2,500,530
With donor restriction	-	-
Total net assets	<u>3,184,144</u>	<u>2,500,530</u>
Total Liabilities & Net Assets	<u><u>\$ 3,531,612</u></u>	<u><u>\$ 3,075,761</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, 2021

	Year ended September 30, 2021		
	Without donor restriction	With donor restriction	Total
Revenues			
Contributions	\$ 2,338,619	\$ -	\$ 2,338,619
Program services	3,133,309	-	3,133,309
Donations In-kind	167,022	-	167,022
Other income	19,485	-	19,485
Total revenues	<u>5,658,435</u>	-	<u>5,658,435</u>
Net assets released from restrictions	-	-	-
Expenses			
Program services			
Advancement	1,207,569	-	1,207,569
Career services	659,556	-	659,556
Education and youth services	539,976	-	539,976
Family empowerment	481,985	-	481,985
Immigration	213,836	-	213,836
Resettlement and resource navigation	1,174,847	-	1,174,847
Support services			
Management and general	329,804	-	329,804
Fundraising	371,644	-	371,644
Total expenses	<u>4,979,217</u>	-	<u>4,979,217</u>
Change in net assets from operations	679,218	-	679,218
Other income and expenses			
Interest income	3,833	-	3,833
Gain or (loss) on investment and sale of asset	564	-	564
Total other income and expenses	<u>4,397</u>	-	<u>4,397</u>
Change in net assets	683,615	-	683,615
Net assets at beginning of year	<u>2,500,530</u>	-	<u>2,500,530</u>
Net assets at end of year	<u>\$ 3,184,144</u>	<u>\$ -</u>	<u>\$ 3,184,144</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, 2020

	Year ended September 30, 2020		
	Without donor restriction	With donor restriction	Total
Revenues			
Contributions	\$ 2,681,121	\$ -	\$ 2,681,121
Program services	2,419,186	-	2,419,186
Donations In-kind	172,180	-	172,180
Other income	7,092	-	7,092
Total revenues	5,279,579	-	5,279,579
Net assets released from restrictions	-	-	-
Expenses			
Program services			
Advancement	1,073,839	-	1,073,839
Career services	618,531	-	618,531
Education and youth services	536,308	-	536,308
Family empowerment	429,599	-	429,599
Immigration	157,807	-	157,807
Resettlement and resource navigation	779,172	-	779,172
Support services			
Management and general	350,333	-	350,333
Fundraising	311,301	-	311,301
Total expenses	4,256,891	-	4,256,891
Change in net assets from operations	1,022,688	-	1,022,688
Other income and expenses			
Interest income	4,819	-	4,819
Gain or (loss) on investment and sale of asset	(206)	-	(206)
Total other income and expenses	4,613	-	4,613
Change in net assets	1,027,301	-	1,027,301
Net assets at beginning of year	1,473,227	-	1,473,227
Net assets at end of year	\$ 2,500,530	\$ -	\$ 2,500,529

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

New American Pathways, Inc.
 Statements of Functional Expense
 For the years ended September 30, 2021

	Program Services					Support Services			Total
	Advancement	Career Services	Education and Youth Services	Family Empowerment	Immigration	Resettlement and Resource Navigation	Management and General	Fundraising	
Salaries	\$ 581,725	\$ 294,982	\$ 317,366	\$ 320,076	\$ 144,579	\$ 515,449	\$ 264,008	\$ 228,483	\$ 2,666,667
Benefits	108,337	37,601	34,293	83,112	33,077	35,483	49,167	20,088	401,159
Payroll taxes	35,903	16,611	27,410	21,988	10,282	46,150	16,294	17,170	191,806
Total compensation and benefits	725,964	349,195	379,069	425,176	187,938	597,081	329,469	265,741	3,259,632
Administrative fees	1,757	-	-	-	660	82	-	7,680	10,179
Background checks	2,336	1,182	786	412	52	1,920	103	107	6,898
Bank fees	4,142	-	-	-	-	-	-	1,768	5,910
Client assistance	121,243	66,918	98,239	20,369	-	385,855	-	9,167	701,791
Conference and training	13,069	-	6,120	4,882	105	220	-	15,724	40,121
Consultants/ interpreters	22,359	1,114	9,600	40	-	24,975	-	12,515	70,603
Dues and subscriptions	38,075	746	13	520	5,729	610	-	10,197	55,891
In-kind expenses	35,806	132,798	-	-	-	-	-	-	168,604
Insurance	20,892	9,546	1,725	750	2,128	19,264	-	-	54,305
Meals and entertainment	-	-	-	-	-	-	-	645	645
Miscellaneous	6,229	441	-	-	30	820	-	2,113	9,633
Office supplies	35,692	9,416	3,074	3,715	646	14,433	-	1,129	68,105
Other	13,156	-	11,899	-	-	3,683	-	-	28,739
Postage	449	-	-	-	3,351	187	-	15	4,002
Printing and copying	2,859	-	-	-	-	1,679	-	163	4,701
Professional fees	25,930	3,340	7,995	6,950	5,908	20,067	-	21,948	92,137
Rent	71,465	59,903	-	7,326	3,440	44,639	-	15,993	202,767
Repairs and maintenance	11,766	18,988	5,343	3,750	1,547	33,110	-	4,089	78,593
Storage	941	-	-	945	-	5,387	-	-	7,273
Supplies	989	-	12,337	565	-	2,049	-	2,464	18,404
Telephone	18,642	5,497	3,419	4,453	2,301	9,444	-	-	43,756
Travel	6,568	472	359	2,132	-	4,343	232	186	14,291
Interest	206	-	-	-	-	-	-	-	206
Depreciation	27,032	-	-	-	-	5,000	-	-	32,032
Total expenses	\$ 1,207,569	\$ 659,556	\$ 539,976	\$ 481,985	\$ 213,836	\$ 1,174,847	\$ 329,804	\$ 371,644	\$ 4,979,217

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

New American Pathways, Inc.
 Statements of Functional Expense
 For the years ended September 30, 2020

	Program Services					Support Services			Total
	Advancement	Career Services	Education and Youth Services	Family Empowerment	Immigration	Resettlement and Resource Navigation	Management and General	Fundraising	
Salaries	\$ 417,361	\$ 218,908	\$ 306,857	\$ 259,326	\$ 109,879	\$ 411,863	\$ 265,155	\$ 184,205	\$ 2,173,555
Benefits	75,169	17,452	42,903	64,763	26,066	40,234	47,755	33,176	347,517
Payroll taxes	40,093	17,804	22,568	19,109	7,754	27,986	25,472	17,695	178,481
Total compensation and benefits	532,623	254,164	372,328	343,198	143,699	480,083	338,382	235,076	2,699,553
Administrative fees	7,049	-	-	-	-	-	-	-	7,049
Background checks	4,596	1,981	1,322	407	49	252	49	106	8,761
Bank fees	10,368	-	-	-	-	-	-	-	10,368
Client assistance	23,259	143,393	110,564	35,102	-	194,543	11,578	15,294	533,735
Conference and training	398	244	3,070	863	1,496	603	-	25,443	32,116
Consultants/ interpreters	37,650	69	8,730	-	219	13,769	-	17,776	78,213
Dues and subscriptions	12,449	2,796	2,480	3,502	4,948	3,299	-	10,946	40,420
In-kind expenses	45,146	135,319	-	-	-	-	-	-	180,465
Insurance	24,687	8,032	-	939	-	5,591	-	-	39,249
Meals and entertainment	3,301	-	-	-	-	-	-	-	3,301
Miscellaneous	797	1,509	361	-	-	503	-	5,803	8,973
Non-capitalized equipment	(884)	1,580	-	-	-	-	-	-	696
Office supplies	29,265	5,878	23	6,031	764	19,748	-	147	61,856
Other	12,430	-	11,426	-	-	-	-	-	23,857
Postage	443	-	-	-	3,780	26	-	62	4,312
Printing and copying	15,798	95	-	-	-	210	-	-	16,104
Professional fees	28,775	7,043	5,595	7,061	1,875	7,396	-	-	57,746
Rent	134,802	24,580	-	11,027	-	17,125	300	-	187,833
Repairs and maintenance	61,071	4,056	854	4,400	-	10,337	-	-	80,719
Storage	862	-	-	935	-	9,177	-	-	10,974
Supplies	6,697	341	9,085	6,231	-	-	-	64	22,417
Telephone	25,080	2,597	3,973	4,297	676	9,587	-	-	46,210
Travel	2,683	1,367	6,496	5,605	300	4,474	24	584	21,534
Depreciation	54,494	23,486	-	-	-	2,450	-	-	80,429
Total expenses	\$ 1,073,839	\$ 618,531	\$ 536,308	\$ 429,599	\$ 157,807	\$ 779,172	\$ 350,333	\$ 311,301	\$ 4,256,890

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flow from operating activities:		
Change in net assets	\$ 683,615	\$ 1,027,301
Reconciliation of change in net assets to net cash provided (required) by operating activities:		
Depreciation	32,032	80,429
Change in fair market value on investments	(21,662)	(7,643)
(Gain) or loss on investment and sale of asset	(564)	206
Change in operating assets and liabilities		
(Increase) decrease in assets:		
Accounts receivable	375,511	(665,181)
Inventory	1,360	(2,575)
Prepays and other assets	2,844	(29,077)
Increase (decrease) in liabilities:		
Accounts payable	189,530	(23,816)
Other liabilities	42,827	(498)
Deferred revenue	11,179	7,939
Net cash provided (required) by operating activities	<u>1,316,671</u>	<u>387,085</u>
Cash flow from investing activities:		
Purchase of property and equipment	<u>(137,861)</u>	-
Net cash provided (required) by investing activities	(137,861)	-
Cash flow from financing activities:		
Forgiveness of notes payable	(471,300)	-
Proceeds from notes payable	<u>-</u>	<u>471,300</u>
Net cash provided (required) by financing activities	(471,300)	471,300
Net increase (decrease) in cash	<u>707,511</u>	<u>858,385</u>
Beginning balance of cash	<u>1,769,179</u>	<u>910,794</u>
Ending balance of cash	<u><u>\$ 2,476,690</u></u>	<u><u>\$ 1,769,179</u></u>
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash paid during the year for interest	\$ 206	\$ -
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, 2021 and 2020

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, 2021 and 2020

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

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. Contributed 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, 2021 and 2020

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

Accounting Standards Update (“ASU”) 2014-09, “Revenue from Contracts with Customers” (Topic 606)

The Organization adopted ASU 2014-09, “Revenue from Contracts with Customers” (Topic 606) and the related ASUs, which provided new guidance for revenue recognized from contracts with customers and replaced the previously existing revenue recognition guidance. ASU 2014-09 requires that revenue be recognized at an amount the Organization is entitled to upon transferring control of goods or services to customers, as opposed to when risks and rewards transfer to a customer. The Organization adopted ASU 2014-09 using the full retrospective approach. There were no new contract assets or liabilities created upon the adoption of this standard. The adoption of ASU 2014-09 did not have a material impact on the Organization’s financial position, results of operations and cash flows as of and for the year ended September 30, 2021.

ASU 2018-08, “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made” (Topic 958)

The Organization adopted ASU 2018-08, “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made” (Topic 958). The amendments in this update provide a framework for evaluating whether the transfer of assets constitutes a contribution or an exchange transaction. This amendment also provides additional clarification as to whether or not a contribution is conditional. The adoption of ASU 2018-08 did not have a material impact on the Organization’s financial position, results of operations and cash flows as of and for the year ended September 30, 2021.

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2021 and 2020

2. Accounts receivable

Accounts receivable as of September 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
21st Century Community Learning Centers	\$ 13,946	\$ 64,313
Church World Services	363,442	239,056
Welcome Coop	111,889	168,457
Georgia Department of Human Services	95,150	99,681
Criminal Justice Coordinating Council	31,909	34,604
Americorps	18,093	37,798
Goizueta Foundation	-	500,000
DeKalb County Department of Human Development	79,499	-
Others	67,859	13,389
Total accounts receivable	<u>\$ 781,787</u>	<u>\$ 1,157,298</u>

Related party transactions

Welcome Coop is consortium of three nonprofit resettlement agencies that includes the organization. The organization provides fiduciary service to Welcome Coop for a fixed fee. The total amount of revenue and receivable received by the Organization during September 30, 2021 and 2020 was \$111,889 and \$168,457.

3. Prepaid and other assets

As of September 30, 2021 and 2020, prepaid and other assets consisted of the following:

	<u>2021</u>	<u>2020</u>
Prepaid expenses	\$ 22,495	\$ 24,999
Utility deposits	4,932	4,932
Other assets	3,816	4,156
Total prepaids and other assets	<u>\$ 31,243</u>	<u>\$ 34,087</u>

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2021 and 2020

4. Property and equipment

As of September 30, 2021 and 2020, property and equipment consisted of the following:

	2019	Additions	Disposals	2020	Additions	Disposals	2021
Equipment	\$ 313,386	\$ -	\$ -	\$ 313,386	\$ 106,580	\$ -	\$ 419,966
Furniture and fixtures	99,445	-	-	99,445	-	-	99,445
Vehicles	83,350	-	-	83,350	31,281	-	114,631
Total cost	496,181	-	-	496,181	137,861	-	634,042
Less: accumulated depreciation	(324,185)	(80,430)	-	(404,615)	(32,032)	-	(436,647)
Total property and equipment, net	\$ 171,996	\$ (80,430)	\$ -	\$ 91,566	\$ 105,829	\$ -	\$ 197,395

For the years ended September 30, 2021 and 2020, depreciation expense in the amount of \$32,032 and \$80,429 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, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Compensated absences	\$ 88,992	\$ 32,670
Credit cards payable	35,365	21,124
Accounts payable and other accrued	144,233	25,266
Total	<u>\$ 268,590</u>	<u>\$ 79,060</u>

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2021 and 2020

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, 2021 and 2020 totaling \$88,992 and \$32,670, 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, 2021 and 2020 deferred revenue totaled \$36,051 and \$24,872 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.

Covid-19

There are several strains of the Covid-19 virus that began to spread worldwide resulting in severe impact to business operations. The company's operation has been affected however, the extent of this impact is uncertain and there can be no assurances that a significant impact on the company's finances will not take place.

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2021 and 2020

8. Leases

The total lease expense recorded in the statement of activities for the years ended September 30, 2021 and 2020 were \$202,765 and \$187,833 respectively. The Organization entered into a lease agreement commencing on May 15, 2018. The annual minimum required payments under the agreement are as follows:

Year ended September 30,	
2022	\$ 198,738
2023	160,099
Thereafter	-
Total	<u>\$ 358,837</u>

9. Notes payable and Line of credit

As of September 30, 2021 and 2020, notes payable and line of credit consisted of the following:

Lender / Collateral	Maximum loan amount	2021 Outstanding balance	2020 Outstanding balance	Interest rate	Maturity Date	Principal amortization	Prepayment penalty
Unsecured	\$ 300,000	\$ -	\$ -	Prime + 1%	7/7/2021	No	No
Paycheck Protection Program Loan	-	-	471,300	1.0%	5/20/2022	Yes	No
Total		<u>\$ -</u>	<u>\$ 471,300</u>				

	2020 Beginning Balance	2020 Drawdown	2020 Repayments	2020 Ending Balance	2021 Drawdown	2021 Repayments / Forgiveness	2021 Ending Balance
Line of Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Paycheck Protection Program Loan	-	471,300	-	471,300	-	(471,300)	-
Total	<u>\$ -</u>	<u>\$ 471,300</u>	<u>\$ -</u>	<u>\$ 471,300</u>	<u>\$ -</u>	<u>\$ (471,300)</u>	<u>\$ -</u>

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2021 and 2020

On February 16, 2021, the Paycheck Protection Program (PPP) loan in the amount of \$471,300 was forgiven by the United States Small Business Administration.

10. 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:

Cash and equivalents	\$	2,476,690
Accounts receivable		781,787
Total	\$	<u>3,258,477</u>

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

11. 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.

12. 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, 2021 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.

13. Subsequent events

As of the audit report date, the Organization has received \$621,510 of the outstanding accounts receivable as of September 30, 2021.



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, 2021, 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 17, 2022.

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 as a basis for designing 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 financial statements. 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

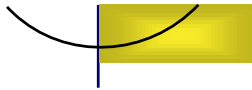
results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

February 17, 2022



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, 2021. 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, 2021.

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 17, 2022

New American Pathways, Inc.
Schedule of Expenditures of Federal Awards
For the year ended September 30, 2021

Federal Grantor/ Pass-through Grantor/ Program	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Pass-through to Sub recipients
Corporation for National and Community Service:				
Pass-through from Georgia Department of Community Affairs				
AmeriCorps State and National - AmeriCorps Recovery	94.006	N/A	\$ 204,756	\$ -
Total Corporation for National and Community Service			204,756	-
U.S. Department of Education				
Pass-through from DeKalb City Schools				
Twenty-First Century Community Learning Centers	84.287	18-11410-0000-1	351,881	-
Total Department of Education			351,881	-
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	N/A	743,932	-
Covid-19 emergency fund	93.567	N/A	52,360	-
Total CFDA # 93.567			796,292	-
Pass-through from Georgia Department of Human Services				
Refugee and Entrant Assistance - State Administered Program	93.566	42700-040-0000094289	494,125	-
Pass-through from Department of Human Development of DeKalb County				
Maternal, Infant, and Early Childhood Home Visiting Program (DeKalb County MIECHV)	93.505	N/A	225,883	-
Total U.S. Department of Health and Human Services			1,516,300	-
U.S. Department of Housing and Urban Development				
Pass-through from DeKalb CDBG				
Community Development Block Grant - Entitlement Grants - Financial literacy	14.218	N/A	16,133	-
Total Department of Housing and Urban Development			16,133	-
U.S. Department of Justice				
Pass-through from Office of the Governor - Criminal Justice Coordinating Council				
Violence Against Women Formula Grants / Victims of Crime Act	16.588	C18-8-483	188,576	-
Total Department of Justice			188,576	-
U.S. Department of State:				
Pass-through from Church World Services				
Refugee Admissions Program - Reception and Placement Program	19.510	N/A	131,214	-
Total U.S. Department of State			131,214	-
Total Federal Awards			\$ 2,408,860	\$ -

New American Pathways, Inc.
Notes to the Schedule of Expenditures of Federal Awards
For the year ended September 30, 2021

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, 2021. 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, 2021

<u>State Grantor/ Pass-through Grantor/ Program Title</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Amount (due to) / from Agency</u>
Georgia Department of Human Services			
Pass-through from Georgia Department of Human Services			
Refugee and Entrant Assistance - State Administered Program	\$ 494,125	\$ 494,125	\$ -
Total Georgia Department of Human Services	494,125	494,125	-
Georgia Department of Community Affairs			
Pass-through from Georgia Department of Community Affairs			
AmeriCorps State and National - AmeriCorps Recovery	204,756	204,756	-
Total Georgia Department of Community Affairs	204,756	204,756	-
Georgia Criminal Justice Coordinating Council			
Pass-through from Office of the Governor - Criminal Justice			
Coordinating Council			
Violence Against Women Formula Grants / Victims of Crime Act	188,576	188,576	-
Total Georgia Criminal Justice Coordinating Council	188,576	188,576	-
Total State Awards	<u>\$ 887,457</u>	<u>\$ 887,457</u>	<u>\$ -</u>

New American Pathways, Inc.
Notes to the Schedule of Expenditures of State Awards
For the year ended September 30, 2021

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, 2021. 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, 2021

Section I - Summary of Auditor's Result

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Un-modified opinion

Internal control over financial reporting:

Material weakness(es) identified? No
 Significant deficiency(ies) identified? None reported

Compliance and other matters

Non-compliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? No
 Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major federal programs: Un-modified opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200? No

Identification of major federal programs: Assistance listing Numbers

Refugee and Entrant Assistance - State Administered Program 93.566

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

No matters were reported.

Section III - Federal Awards Findings & Questioned Costs

No matters were reported.

-End of Report-