

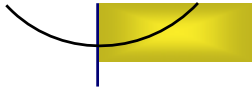
**New American Pathways, Inc.  
Audited Financial Statements  
September 30, 2022**

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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

### Opinion

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the New American Pathways, Inc., ("the Organization") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Organization as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may

# New American Pathways, Inc.

## Notes to the Financial Statements

### September 30, 2022

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involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing our audit in accordance with GAAS and GAS we:

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

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the supplementary information, such as management's discussion and analysis, the schedules of proportionate share of net pension liability and schedules of contributions to retirement systems, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated June 22, 2023 on our consideration of 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 solely 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 the

New American Pathways, Inc.  
Notes to the Financial Statements  
September 30, 2022

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effectiveness of Organization’s 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.

**Other information**

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.

*Bambo Sonaike CPA, LLC*

June 22, 2023

New American Pathways, Inc.  
Statements of Financial Position  
For the year ended September 30, 2022

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**Assets**

**Current assets**

Cash	\$ 1,469,189
Accounts receivable <sup>(note 2)</sup>	1,633,759
Inventory	32,014
Prepays and other assets <sup>(note 3)</sup>	87,150
Total current assets	<u>3,222,112</u>

**Long-term assets**

Property and equipment <sup>(net) (note 4)</sup>	<u>477,928</u>
Total long-term assets	477,928

<b>Total Assets</b>	<u><u>\$ 3,700,040</u></u>
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**Liabilities and Net Assets**

**Current liabilities**

Accounts payable & accrued expenses <sup>(note 7)</sup>	\$ 558,862
Lease liabilities <sup>(note 5)</sup>	<u>141,365</u>
Total current liabilities	700,227

Total liabilities	<u>700,227</u>
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**Net assets**

Without donor restriction	2,999,813
With donor restriction	<u>-</u>
Total net assets	2,999,813

<b>Total Liabilities &amp; Net Assets</b>	<u><u>\$ 3,700,040</u></u>
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The accompanying notes are an integral part to these financial statements.

New American Pathways, Inc.  
 Statements of Activities  
 For the year ended September 30, 2022

	Without donor restriction	With donor restriction	Total
<b>Revenues</b>			
Contributions	\$ 2,585,275	\$ -	\$ 2,585,275
Program services	5,537,249	-	5,537,249
Donations In-kind	331,019	-	331,019
Other income	12,258	-	12,258
Total revenues	<u>8,465,801</u>	<u>-</u>	<u>8,465,801</u>
<b>Net assets released from restrictions</b>	-	-	-
<b>Expenses</b>			
Program services			
Advancement	1,211,944	-	1,211,944
Career services	1,062,727	-	1,062,727
Education and youth services	685,758	-	685,758
Family empowerment	606,049	-	606,049
Immigration	228,432	-	228,432
Resettlement and resource navigation	3,626,753	-	3,626,753
Support services			
Management and general	581,617	-	581,617
Fundraising	608,979	-	608,979
Total expenses	<u>8,612,258</u>	<u>-</u>	<u>8,612,258</u>
Change in net assets from operations	<u>(146,457)</u>	<u>-</u>	<u>(146,457)</u>
<b>Other income and expenses</b>			
Interest income	3,403	-	3,403
Gain or (loss) on investment and sale of asset	(36,066)	-	(36,066)
Total other income and expenses	<u>(32,663)</u>	<u>-</u>	<u>(32,663)</u>
<b>Change in net assets</b>	<u>(179,120)</u>	<u>-</u>	<u>(179,120)</u>
<b>Net assets at beginning of year (restated)</b>	<u>3,178,933</u>	<u>-</u>	<u>3,178,933</u>
<b>Net assets at end of year</b>	<u>\$ 2,999,813</u>	<u>\$ -</u>	<u>\$ 2,999,813</u>

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

New American Pathways, Inc.  
 Statements of Functional Expense  
 For the year ended September 30, 2022

	Program Services					Support Services			Total
	Advancement	Career Services	Education and Youth Services	Family Empowerment	Immigration	Resettlement and Resource Navigation	Management and General	Fundraising	
Salaries	\$ 226,192	\$ 380,180	\$ 467,849	\$ 415,295	\$ 161,444	\$ 1,081,039	\$ 466,409	\$ 216,018	\$ 3,414,425
Benefits	29,895	41,112	47,493	88,763	39,176	87,050	61,645	1,037	396,170
Payroll taxes	18,474	25,749	36,374	30,835	11,647	81,142	38,092	18,610	260,923
Total compensation and benefits	274,560	447,041	551,716	534,893	212,267	1,249,231	566,146	235,665	4,071,518
Client assistance	117,476	427,550	103,855	26,738	-	2,055,698	-	595	2,731,912
In-kind expenses	33,111	93,736	-	-	-	-	-	205,727	332,574
Professional fees	178,914	12,216	11,675	-	-	30,084	832	17,748	251,469
Depreciation and amortization	232,097	-	-	-	-	-	-	-	232,097
Conference and training	84,389	4,571	2,479	12,581	650	7,330	-	63,253	175,252
Miscellaneous	22,037	2,506	2,810	6,424	19	117,447	7,829	9,720	168,792
Consultants/ interpreters	26,391	14,821	6,270	2,612	2,792	47,392	-	1,670	101,947
Office supplies	52,429	8,580	494	2,115	-	12,960	-	349	76,928
Repairs and maintenance	40,288	17,116	-	1,121	-	15,159	-	-	73,682
Rent	(5,211)	(1,519)	(5,695)	2,314	(1,139)	3,493	-	51,773	44,018
Printing and copying	46,672	6,029	-	124	-	2,099	-	45	54,968
Telephone	29,656	4,608	-	1,126	-	15,766	-	-	51,156
Insurance	25,743	11,976	-	979	-	9,803	-	-	48,500
Other	(1,983)	-	5,302	100	-	37,895	-	-	41,313
Dues and subscriptions	9,869	4,723	617	2,400	7,045	423	-	13,229	38,307
Travel	714	2,806	671	(152)	1,146	19,958	(1,606)	-	23,536
Supplies	4,974	-	3,519	12,223	-	388	-	591	21,695
Background checks	7,972	4,172	1,493	52	-	155	-	52	13,895
Administrative fees	5,265	-	-	400	-	-	-	5,032	10,697
Interest	8,265	-	-	-	-	-	-	-	8,265
Bank fees	6,470	61	-	-	-	-	-	1,161	7,692
Non-capitalized equipment	6,875	-	-	-	-	253	8,416	45	15,589
Storage	3,619	1,706	-	-	495	495	-	-	6,315
Meals and entertainment	689	-	553	-	1,670	146	-	2,100	5,157
Postage	663	29	-	-	3,487	579	-	224	4,982
Total expenses	\$ 1,211,944	\$ 1,062,727	\$ 685,758	\$ 606,049	\$ 228,432	\$ 3,626,753	\$ 581,617	\$ 608,979	\$ 8,612,258

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



New American Pathways, Inc.  
 Statements of Cash Flows  
 For the year ended September 30, 2022

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<b>Cash flow from operating activities:</b>	
Change in net assets	\$ (179,120)
Reconciliation of change in net assets to net cash provided (required) by operating activities:	
Depreciation and amortization	232,097
Change in fair market value on investments	(2,071)
(Gain) or loss on investment and sale of asset	36,066
Change in operating assets and liabilities	
(Increase) decrease in assets:	
Accounts receivable	(851,972)
Inventory	(21,512)
Prepays and other assets	(55,907)
Increase (decrease) in liabilities:	
Accounts payable	290,272
Other liabilities	(42,827)
Deferred revenue	(36,051)
Net cash provided (required) by operating activities	<u>(631,025)</u>
<b>Cash flow from investing activities:</b>	
Purchase of property and equipment	<u>(185,553)</u>
Net cash provided (required) by investing activities	(185,553)
<b>Cash flow from financing activities:</b>	
Paydown of lease liability	<u>(190,924)</u>
Net cash provided (required) by financing activities	(190,924)
Net increase (decrease) in cash	<u>(1,007,502)</u>
Beginning balance of cash	<u>2,476,690</u>
<b>Ending balance of cash</b>	<u><u>\$ 1,469,188</u></u>

Supplemental Disclosure of Cash Flow Information:

Cash paid during the year for interest	\$ 8,265
Cash paid during the year for income taxes	<u><u>\$ -</u></u>

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

## 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, 2022

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**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
Right to use lease asset	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, 2022

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#### **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.

#### **Leases**

The determination of whether an arrangement is a lease is made at the lease’s inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Right to use lease assets and the related lease liabilities are recorded on the statement of financial position.

The Organization recognizes right to use lessee asset and related lease liability at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The right to use lease asset is measured at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

The Organization reduces the lease liability as payments are made and recognize interest on the lease liability. The Organization amortizes the right to use lease asset over the shorter of the lease term or the useful life of the underlying asset.

#### **New accounting pronouncements**

During fiscal year 2022, the Organization adopted Accounting Standards Update (“ASU”) 2016-02 “Leases” (Topic 842) The Organization has adopted ASU 2016-02 (Topic 842) and all subsequent related ASUs, which provided new guidance for lease arrangements. The objective of this ASU is to increase transparency and comparability in financial reporting by requiring statement of financial position recognition of leases and note disclosure of certain information about lease arrangements. The cumulative effect of ASU 2016-02 is described in the restatement note below.

New American Pathways, Inc.  
Notes to the Financial Statements  
September 30, 2022

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**2. Accounts receivable**

Accounts receivable as of September 30, 2022 consisted of the following:

21st Century Community Learning Centers	\$ 43,090
Church World Services	471,007
Maternal, Infant, and Early Childhood Home Visiting Program	40,391
Nauru and Papua New Guinea (NRRP)	118,447
Welcome Coop	569,576
Georgia Department of Human Services	216,095
Criminal Justice Coordinating Council	40,503
Others	134,650
Total accounts receivable	<u>\$ 1,633,759</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, 2022 was \$569,576.

**3. Prepaid and other assets**

As of September 30, 2022, prepaid and other assets consisted of the following:

Prepaid expenses	\$ 82,217
Utility deposits	4,933
Total prepaids and other assets	<u>\$ 87,150</u>

New American Pathways, Inc.  
Notes to the Financial Statements  
September 30, 2022

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**4. Property and equipment**

As of September 30, 2022, property and equipment consisted of the following:

	2021	Additions	Disposals	2022
Equipment	\$ 419,966	\$ 68,801	\$ -	\$ 488,767
Furniture and fixtures	99,445	26,823	-	126,268
Vehicles	114,631	89,929	-	204,560
Right to use lease asset	876,380	-	-	876,380
Total cost	1,510,422	185,553	-	1,695,975
Less: accumulated depreciation	(436,647)	(50,949)	-	(487,596)
Less: accumulated amortization Right to use lease asset	(549,303)	(181,148)	-	(730,451)
Total property and equipment, net	<u>\$ 524,472</u>	<u>\$ (46,544)</u>	<u>\$ -</u>	<u>\$ 477,928</u>

For the years ended September 30, 2022, depreciation and amortization expense in the amount of \$232,097 was recorded in the statements of activities.

**5. Leases**

On May 15, 2018 the Organization entered into a 5-year lease agreement for office space. As of September 30, 2022 the right to use lease asset consisted of the following:

	Balance at 9/30/2021	Additions	Dispositions	Balance at 9/30/2022
Right to Use Lease Asset	\$ 876,380	\$ -	\$ -	\$ 876,380
Less accumulated amortization	(549,303)	(181,148)	-	(730,451)
Total lease asset	<u>\$ 327,077</u>	<u>\$ (181,148)</u>	<u>\$ -</u>	<u>\$ 145,929</u>

The future lease liabilities are as follows:

Year End	Principal	Interest	Payment
2023	\$ 141,365	\$ 1,891	\$ 143,256
Thereafter	-	-	-
Total	<u>\$ 141,365</u>	<u>\$ 1,891</u>	<u>\$ 143,256</u>

New American Pathways, Inc.  
Notes to the Financial Statements  
September 30, 2022

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**6. Prior period adjustment**

As of September 30, 2022, prior period adjustments consisted of the following:

Net assets, September 30, 2021 as previously reported	\$ 3,184,144
Prior Period Adjustments:	
Implementation of GASB Statement No. 87 Leases	(5,211)
Total prior period adjustments	<u>(5,211)</u>
Net assets, September 30, 2021 as restated	<u><u>\$ 3,178,933</u></u>

**7. 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, 2022 consisted of the following:

Compensated absences	\$ 88,992
Credit cards payable	70,768
Accounts payable and other accrued	<u>399,102</u>
Total	<u><u>\$ 558,862</u></u>

**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, 2022 totaling \$88,992.

**8. 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, 2022 deferred revenue totaled \$0.

**9. 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.

New American Pathways, Inc.  
Notes to the Financial Statements  
September 30, 2022

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**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 Organization'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 Organization's finances will not take place.

**10. Notes payable and Line of credit**

As of September 30, 2022, notes payable and line of credit consisted of the following:

Lender / Collateral	Maximum loan amount	2022		Maturity Date	Principal amortization	Prepayment penalty
		Outstanding balance	Interest rate			
Unsecured	\$ 300,000	\$ -	Prime + 1%	7/3/2023	No	No
Total		\$ -				

**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:

Cash and equivalents	\$ 1,469,189
Accounts receivable	1,633,759
Total	<u>\$ 3,102,948</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.

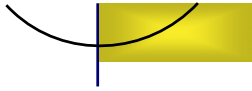


**13. Commitments and contingencies**

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, 2022 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.



**REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH THE 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 the governmental activities, each major fund, and the aggregate remaining fund information of New American Pathways, Inc. ("the Organization"), as of and for the year ended September 30, 2022, and related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated June 22, 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 (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 deficiencies, significant deficiencies, or material weaknesses. 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 or significant deficiencies 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

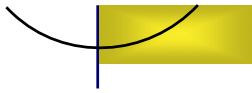
material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to 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 entity's internal controls or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bambo Sonaike CPA, LLC*

June 22, 2023



**Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited New American Pathways, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of New American Pathways, Inc.'s major federal programs for the year ended September 30, 2022. New American Pathways, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, New American Pathways, Inc. complied, in all material respects, with the 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, 2022.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of New American Pathways, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of New American Pathways, Inc.'s compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to New American Pathways, Inc.'s federal programs.

## **Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on New American Pathways, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about New American Pathways, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding New American Pathways, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of New American Pathways, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of New American Pathways, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. 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.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of New American Pathways, Inc. as of and for the year ended September 30, 2022, and have issued our report thereon dated June 22, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Bambo Sonaike CPA, LLC*

June 22, 2023

# New American Pathways, Inc.

## Schedule of Expenditures of Federal Awards

### For the year ended September 30, 2022

Federal Grantor/ Pass-through Grantor/ Program	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Pass-through to Sub recipients
<b>Corporation for National and Community Service:</b>				
Pass-through from Georgia Department of Community Affairs				
AmeriCorps State and National - AmeriCorps Recovery	94.006	N/A	\$ 209,934	\$ -
Total Corporation for National and Community Service			209,934	-
<b>U.S. Department of Education</b>				
Pass-through from DeKalb City Schools				
Twenty-First Century Community Learning Centers	84.287	S287C200010	304,324	-
Pass through from Georgia Department of Education				
American Rescue Plan-Elementary and Secondary School Relief	84.425U	S425U210012	42,009	-
Total Department of Education			346,333	-
<b>U.S. Department of Health and Human Services:</b>				
Pass-through from Church World Services:				
Refugee and Entrant Assistance - Voluntary Agency / Match Grant Programs	93.567	N/A	1,699,990	-
Covid-19 - Refugee and Entrant Assistance - Voluntary Agency / Match Grant Programs	93.567	N/A	77,439	-
Total CFDA # 93.567			1,777,429	-
Pass-through from Georgia Department of Human Services				
Refugee and Entrant Assistance - State Administered Program	93.566	N/A	834,139	-
Strengthening Public Health Laboratories	93.322	N/A	77,969	-
Pass-through from Department of Human Development of DeKalb County				
Maternal, Infant, and Early Childhood Home Visiting Program (DeKalb County MIECHV)	93.870	N/A	265,520	-
Total U.S. Department of Health and Human Services			2,955,057	-
<b>Department of Homeland Security</b>				
Direct:				
Citizen Education and Training	97.010	N/A	48,900	-
Total Department of Homeland Security			48,900	-
<b>U.S. Department of Housing and Urban Development</b>				
Pass-through from DeKalb CDBG				
Community Development Block Grant - Entitlement Grants - Financial literacy	14.218	N/A	20,661	-
Total Department of Housing and Urban Development			20,661	-
<b>U.S. Department of Justice</b>				
Pass-through from Office of the Governor - Criminal Justice Coordinating Council				
Violence Against Women Formula Grants / Victims of Crime Act	16.588	N/A	171,422	-
Total Department of Justice			171,422	-
<b>U.S. Department of State:</b>				
Pass-through from Church World Services				
Refugee Admissions Program - Reception and Placement Program	19.510	N/A	749,695	-
Total U.S. Department of State			749,695	-
Total Federal Awards			\$ 4,502,002	\$ -

New American Pathways, Inc.  
Notes to the Schedule of Expenditures of Federal Awards  
For the year ended September 30, 2022

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**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, 2022. 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, 2022

State Grantor/ Pass-through Grantor/ Program Title	Revenues	Expenditures	Amount (due to) / from Agency
<b>Georgia Department of Human Services</b>			
Pass-through from Georgia Department of Human Services			
Refugee and Entrant Assistance - State Administered Program	\$ 834,139	\$ 834,139	\$ -
Total Georgia Department of Human Services	834,139	834,139	-
<b>Georgia Department of Community Affairs</b>			
Pass-through from Georgia Department of Community Affairs			
AmeriCorps State and National - AmeriCorps Recovery	209,934	209,934	-
Total Georgia Department of Community Affairs	209,934	209,934	-
<b>Georgia Criminal Justice Coordinating Council</b>			
Pass-through from Office of the Governor - Criminal Justice			
Coordinating Council			
Violence Against Women Formula Grants / Victims of Crime Act	171,422	171,422	-
Total Georgia Criminal Justice Coordinating Council	171,422	171,422	-
Total State Awards	\$ 1,215,495	\$ 1,215,495	\$ -

New American Pathways, Inc.  
Notes to the Schedule of Expenditures of State Awards  
For the year ended September 30, 2022

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**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, 2022. 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, 2022

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**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 - Voluntary Agency 93.567

Maternal, Infant, and Early Childhood Home Visiting 93.870

Twenty-First Century Community Learning Centers 84.287

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-