Pamoja Art Society

COMPILED FINANCIAL STATEMENTS

June 30, 2020



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To the Board of Directors Pamoja Art Society Shreveport, Louisiana

Management is responsible for the accompanying financial statements of Pamoja Art Society (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information contained in the Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

We are not independent with respect to Pamoja Art Society.

Caux Rigge & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana December 29, 2020

Pamoja Art Society Statement of Financial Position

June 30,		2020
Assets		
Current assets	16	2 222
Cash	\$	2,406
Accounts receivable, net		20,428
Total current assets		22,834
Non-current assets		
Collections		6,600
Property and equipment, net		105,898
Total non-current assets		112,498
	S.	
Total assets	\$	135,332
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$	-
Total current liabilities		\-
Total liabilities		2■
Net assets		
Without donor restrictions		129,332
With donor restrictions		6,000
Total net assets		135,332
Total liabilities and net assets	\$	135,332

Pamoja Art Society Statement of Activities

	W	ithout donor		With donor	
For the Year Ended June 30, 2020		restrictions		restrictions	Total
Barrana di athanana at					
Revenue and other support	ć	76,000	۲.	ć	76.003
State sales tax appropriations	\$	76,982	\$	- \$	76,982
Grants Other		32,500		6,000	38,500
Net assets released from restrictions		1,627		- (C 000)	1,627
Net assets released from restrictions		6,000		(6,000)	
Total revenue and other support		117,109		그램	117,109
Expenses					
Program services					
Artist and instructor fees		10,900			10,900
Depreciation		3,742		5 8	3,742
Equipment and supplies		1,118		₩.	1,118
Contract labor		11,815		= 0	11,815
Telephone		2,283		₹8	2,283
Utilities		3,603			3,603
Rent		9,500		==	9,500
Total program services		42,961		- 4	42,961
Supporting services					
Management and General					
Accounting services		5,500		5 .2	5,500
Depreciation		3,731			3,731
Contract labor		2,225		- -3	2,225
Executive director compensation		10,500		= 3	10,500
Insurance		1,615			1,615
Repairs and maintenance		5,649		===	5,649
Rent		500			500
Other		2,759		4 8	2,759
Total supporting services		32,479		3	32,479
Total expenses		75,440		3	75,440
Change in net assets		41,669		-	41,669
Net assets at beginning of year		87,663		6,000	93,663
Net assets at end of year	\$	129,332	\$	6,000 \$	135,332

Pamoja Art Society Statement of Cash Flows

For the Year Ended June 30,	2020
Cash Flows from Operating Activities	
Change in net assets	\$ 41,669
Adjustments to reconcile change in net assets to net cash	
provided by (used in) operating activities	
Depreciation	7,473
Changes in operating assets and liabilities	
Accounts receivable, net	(14,428)
Bank overdraft	(257)
Market Control Control	24 457
Net cash provided by (used in) operating activities	34,457
Cash flows from investing activities	
Purchase of property and equipment	(32,051)
Net cash provided by (used in) investing activities	(32,051)
Net change in cash	2,406
Cash at beginning of year	 3 .=
Cash at end of year	\$ 2,406

Pamoja Art Society Notes to the Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

Pamoja Art Society (Pamoja) is a not-for-profit organization whose principal purpose is the promotion of African-American Art. Pamoja began operations in November 1977 and serves the greater Shreveport-Bossier Area.

Pamoja receives sales tax appropriations under Act 3 of the 2017 Second Extraordinary Legislative Session of the Louisiana Legislature for African-American cultural activities in Shreveport. During the year ended June 30, 2020, Pamoja's sales tax appropriations were \$76,982. Pamoja relies upon this funding for its continued operations.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the allowance for doubtful accounts.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less. At June 30, 2020, Pamoja had no cash equivalents.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. Pamoja provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of grantors and patrons to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is Pamoja's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Pamoja Art Society Notes to the Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Collections

Pamoja capitalizes works of art at cost. Due to the longevity of this asset class, depreciation is not taken.

Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. Estimated useful lives used in computing depreciation are as follows:

Building and improvements 10 – 40 Years Furniture and equipment 3 – 5 Years

Net Assets

Pamoja reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in it corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Donated Assets

Noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Pamoja. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

Directly identifiable expenses are charged to program and supporting services. Expenses related to artist and instructor fees and contract labor are allocated based on actual percentages of time spent in each functional area. Depreciation and rent are allocated based on the use of the related assets.

Income Taxes

Pamoja is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Pamoja is also exempt from Louisiana state income taxes. However, income, if any, from certain activities not directly related to the Pamoja's tax exempt purpose is subject to taxation as unrelated business income. For the year ended June 30, 2020, Pamoja had no unrelated business income.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 29, 2020, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in this ASU assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This new guidance is effective for transactions in which Pamoja serves as a resource recipient for fiscal years beginning after December 15, 2018. On July 1, 2019, Pamoja applied the provisions of this ASU on a modified prospective basis. The adoption of this standard had no effect on net assets or the change in net assets.

Note 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Pamoja maintains its financial assets primarily in cash and accounts receivable to provide liquidity to ensure funds are available as expenditures come due. The following reflects Pamoja's financial assets as of the statement of financial position date that could readily be made available within one year of the statement of financial position to fund expenditures without limitation.

June 30,	2020
Cash	\$ 2,406
Accounts receivable, net	20,428
Financial assets available within one year	\$ 22,834

At June 30, 2020, Pamoja had \$6,000 in donor restricted funds related to the City of Shreveport Neighborhood Investment Program grant that are available for future expenditures for facility improvements, installation of garden boxes, newsletters, and clean-up. Management expects to expend these funds prior to December 31, 2020, as such they are included in financial assets available within one year above. Pamoja typically receives its annual state sales tax appropriation in the 1st quarter of each fiscal year. Expenditures are generally deferred until the tax appropriation is received.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

June 30,	2020
State of Louisiana sales tax appropriations	\$ 14,428
City of Shreveport Neighborhood Investment Program grant	6,000
Total accounts receivable	20,428
Less allowance for doubtful accounts	in the second
Accounts receivable, net	\$ 20,428

Note 5: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

June 30,		2020
Duilding	ė	4.000
Building	\$	4,000
Building improvements		131,278
Furniture and equipment		18,062
Total property and equipment		153,340
Less accumulated depreciation		(47,442)
Property and equipment, net	\$	105,898

Depreciation expense for the year ended June 30, 2020, was \$7,473.

Note 6: NET ASSETS

A summary of net assets without donor restrictions follows:

June 30,	2020
Undesignated	\$ 16,834
Invested in collections	6,600
Invested in property and equipment	105,898
Total net assets without donor restrictions	\$ 129,332

Note 6: NET ASSETS (Continued)

A summary of net assets with donor restrictions follows:

June 30,	 2020
Purpose restricted	
City of Shreveport Neighborhood Investment Program grant	\$ 6,000
Total net assets with donor restrictions	\$ 6,000

Note 7: CONCENTRATIONS OF CREDIT RISK

Pamoja's cash consists of deposits at a financial institution. The balance at the financial institution is insured by the FDIC up to \$250,000. At June 30, 2020, the cash balances were fully insured.

For the year ended June 30, 2020, approximately 93% of Pamoja's revenue was from three funding sources. The current level of Pamoja's operations and program services may be impacted if the funding is not renewed.

Note 8: COMMITMENTS AND CONTINGENCIES

Grants require the fulfillment of certain conditions as set forth in the grant contracts. Failure to fulfill the requisite conditions could result in the return of grant funds to the grantor. In the opinion of management, such disallowances, if any, would be immaterial.

Pamoja leases its office facility from a related party under a twenty-one year operating lease which began on July 1, 2016. Rent expense for the year ended June 30, 2020, was \$10,000. Minimum future lease payments to be paid as of June 30, 2020, are as follows:

For the years ending June 30,	
2024	10.000
2021	\$ 10,000
2022	10,000
2023	10,000
2024	10,000
2025	10,000
Thereafter	120,000
Total future minimum lease payments	\$ 170,000

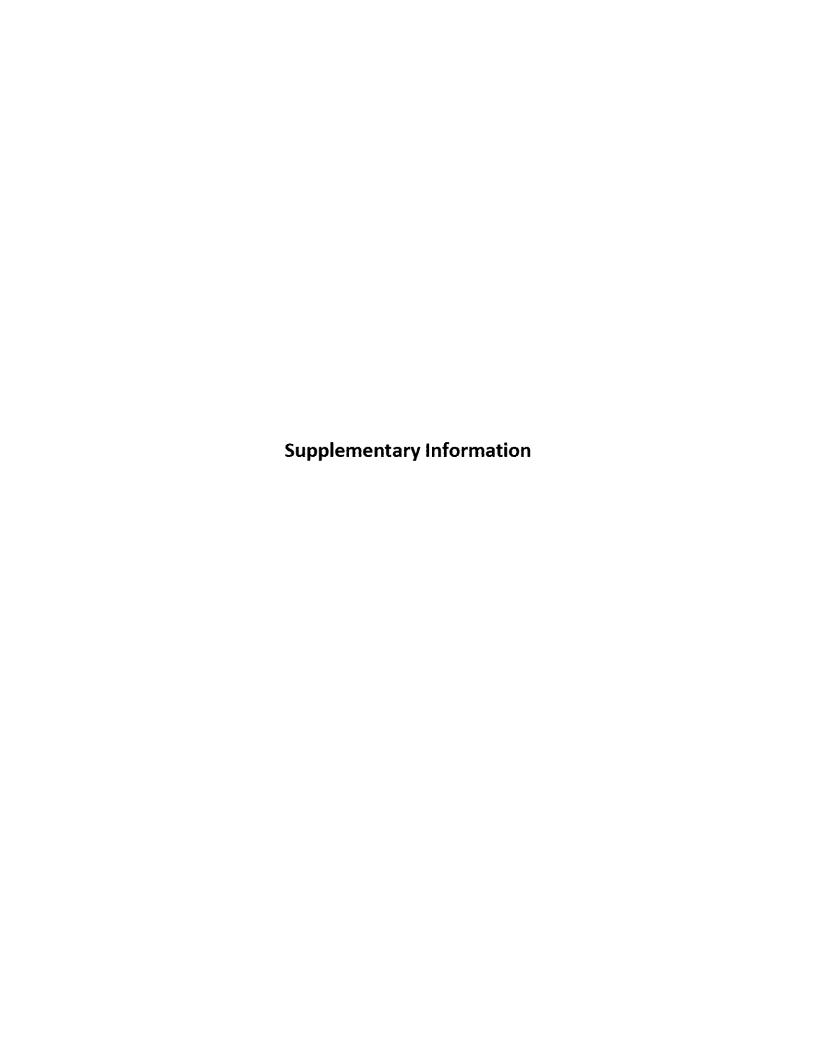
Pamoja Art Society Notes to the Financial Statements

Note 9: RELATED PARTIES

For the year ended June 30, 2020, Pamoja paid members of its executive board and other related parties a total of \$14,065 for program services and \$10,500 for supporting services performed.

Note 10: RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, resulting in federal, state and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Company, its performance, and its financial results.



Pamoja Art Society Schedule of Compensation, Benefits, and Other Payments to Agency Head For the year ended June 30, 2020

Agency Head Name: Jameelah El-Amin

Purpose	Α	mount
Compensation	\$	10,500
Bonus	\$	2 <u></u>
Benefits - insurance	\$	-
Benefits - retirement	\$	-
Benefits - other	\$	-
Car allowance	\$	-
Per diem	\$	-
Reimbursements	\$	4 .
Travel	\$	
Registration fees	\$	-
Conference travel	\$	=
Continuing professional education fees	\$	-
Housing	\$	2==
Unvouchered expenses	\$	7 <u>2</u> 2
Special meals	\$	7=3