

**Pamoja Art Society**  
**COMPILED FINANCIAL STATEMENTS**  
June 30, 2019



**CRI** CARR  
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INGRAM

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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, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to 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. Accordingly, 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.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana  
December 30, 2019

**Pamoja Art Society**  
**Statement of Financial Position**

June 30,	2019
<b>Assets</b>	
Current assets	
Grants receivable	\$ 6,000
Total current assets	6,000
Collections	6,600
Property and equipment - net	81,320
Total assets	\$ 93,920
<b>Liabilities</b>	
Bank overdraft	\$ 257
Total current liabilities	257
Total liabilities	257
<b>Net assets</b>	
Without donor restrictions	87,663
With donor restrictions	6,000
Total net assets	93,663
Total liabilities and net assets	\$ 93,920

*See accompanying notes to financial statements and accountants' compilation report.*

**Pamoja Art Society  
Statement of Activities**

<i>For the Year Ended June 30, 2019</i>	Without donor restrictions	With donor restrictions	<b>Total</b>
<b>Revenue</b>			
State sales tax appropriations	\$ 76,538	\$ -	\$ 76,538
Grants	14,000	6,000	20,000
Other	7,710	-	7,710
<b>Total revenue</b>	<b>98,248</b>	<b>6,000</b>	<b>104,248</b>
<b>Expenses</b>			
Program services			
Artist and instructor fees	1,550	-	1,550
Depreciation	3,496	-	3,496
Equipment and supplies	993	-	993
Contract labor	24,113	-	24,113
Telephone	3,290	-	3,290
Utilities	4,469	-	4,469
Rent	10,250	-	10,250
<b>Total program services</b>	<b>48,161</b>	<b>-</b>	<b>48,161</b>
Support services			
Management and General			
Accounting services	5,500	-	5,500
Depreciation	2,260	-	2,260
Contract labor	7,220	-	7,220
Executive director compensation	9,600	-	9,600
Insurance	1,583	-	1,583
Repairs and maintenance	1,832	-	1,832
Other	3,443	-	3,443
<b>Total support services</b>	<b>31,438</b>	<b>-</b>	<b>31,438</b>
<b>Total expenses</b>	<b>79,599</b>	<b>-</b>	<b>79,599</b>
Change in net assets	18,649	6,000	24,649
Net assets, beginning of year	69,014	-	69,014
Net assets, end of year	\$ 87,663	\$ 6,000	\$ 93,663

*See accompanying notes to financial statements and accountants' compilation report.*

**Pamoja Art Society**  
**Statement of Cash Flows**  
**2019**

*For the Year Ended June 30,*

**Cash flows from operating activities**

Increase in net assets \$ 24,649

**Adjustments to reconcile change in net assets  
to cash provided by operating activities**

Depreciation 5,756  
Increase in grants receivable (4,000)  
Increase in bank overdraft 257  
Decrease in accounts payable (8,297)

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Cash provided by operating activities 18,365

**Cash flows from investing activities**

Purchase of fixed assets (25,272)

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Cash used in investing activities (25,272)

Net decrease in cash (6,907)

Cash, beginning of year 6,907

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Cash, end of year \$ -

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*See accompanying notes to financial statements and accountants' compilation report.*

**NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

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, 2019, Pamoja’s sales tax appropriations were \$76,538 and grant revenues were \$20,000. Pamoja relies upon the funding from these sources for its continued operations.

***Summary of Significant Accounting Policies***

The accounting policies of Pamoja conform to generally accepted accounting principles as applicable to not-for-profit organizations. The more significant accounting policies of Pamoja are described below:

***Basis of Accounting***

Pamoja prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

***Financial Statement Presentation***

Pamoja has adopted the requirements of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958-205 and subsections, *Not-for-Profit Entities*. In the year ending June 30, 2019, Pamoja adopted Financial Accounting Standards Update (“ASU”) 2016-14 which is effective for the year ended June 30, 2019. Under FASB ASC 958-205 and the ASU, Pamoja is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions – Net assets which are not subject to donor-imposed restrictions.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions that may or will be met either by actions of Pamoja and/or the passage of time.

***Contributions***

In accordance with FASB ASC Topic 958, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor.

**NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as “net assets released from restrictions”.

***Federal 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.

***Cash and Concentration of Credit Risk***

Pamoja’s cash consists of deposits in bank checking accounts. The balance with each financial institution is insured by the FDIC up to \$250,000. At June 30, 2019, the cash balances were fully insured.

***Grants Receivable***

Grants receivable consist of outstanding amounts due for grants which have been awarded to Pamoja. Pamoja recognizes grant income upon notification of an unconditional grant award. Pamoja has determined that an uncollectible allowance is not required, and the balance is expected to be fully collectible.

***Property***

Property is stated at cost. Pamoja follows the practice of capitalizing expenditures for property and equipment in excess of \$500. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, which range from three to forty years.

***Collections***

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

***Risks and Uncertainties***

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Adopted Accounting Standards***

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. Pamoja has adjusted the presentation of its financial statements accordingly. The new standard changes the following aspects of Pamoja's financial statements:

- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions. At June 30, 2019, there were no temporarily or permanently restricted net assets.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 2).

***Management's Review***

Pamoja has evaluated subsequent events through December 30, 2019, which is the date the financial statements were available to be issued, concluding there were no events requiring disclosure.

**NOTE 2: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Pamoja has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

Accounts receivable, net	\$ 6,000
Financial assets available within one year	\$ 6,000

Pamoja is primarily supported by state sales tax appropriations and grants. As part of Pamoja's liquidity management, it structures financial assets to be available as its general expenditures, liabilities, and other obligations come due.

At June 30, 2019, Pamoja had \$6,000 in donor restricted funds 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, 2019. Pamoja typically receives its annual state sales tax appropriation in the 1<sup>st</sup> quarter of each fiscal year. Expenditures are generally deferred until the tax appropriation is received.

**Pamoja Art Society**  
**Notes to Financial Statements**

**NOTE 3: PROPERTY AND EQUIPMENT - NET**

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

<i>June 30,</i>	<b>2019</b>
Building	\$ 4,000
Building improvements	99,227
Furniture and equipment	18,062
Total, at cost	<b>121,289</b>
Accumulated depreciation	(39,969)
Property and equipment - net	<b>\$ 81,320</b>

Depreciation charged to operations was \$5,756 for the year ended June 30, 2019.

**NOTE 4: NET ASSETS**

Net assets without donor restrictions	
Undesignated	\$ (257)
Invested in collections	6,600
Invested in property and equipment	81,320
Total net assets without donor restrictions	<b>\$ 87,663</b>
Net assets with donor restrictions subject to time restrictions	
Neighborhood Investment Program grant	\$ 6,000
Total net assets with donor restrictions	<b>\$ 6,000</b>

**NOTE 5: 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.

**Pamoja Art Society**  
**Notes to Financial Statements**

**NOTE 5: COMMITMENTS AND CONTINGENCIES (Continued)**

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, 2019, was \$10,000. Minimum future rental payments to be paid as of June 30, 2019 are as follows:

<i>June 30,</i>	
2020	\$ 10,000
2021	10,000
2022	10,000
2023	10,000
2024	10,000
Thereafter	130,000
<hr/>	
Total	\$ 180,000

**NOTE 6: RELATED PARTY TRANSACTIONS**

Pamoja paid members of its executive board and other related parties a total of \$11,175 for program services and \$9,600 for support services performed for the year ended June 30, 2019.

## Supplementary Information

**Pamoja Art Society**  
**Schedule of Compensation, Benefits and Other Payments to Agency Head**  
**For the year ended June 30, 2019**

Agency Head Name: Jameelah El-Amin

<b>Purpose</b>	<b>Amount</b>
Compensation	\$ 9,600
Bonus	\$ -
Benefits - insurance	\$ -
Benefits - retirement	\$ -
Benefits - other	\$ -
Car allowance	\$ -
Per diem	\$ -
Reimbursements	\$ -
Travel	\$ -
Registration fees	\$ -
Conference travel	\$ -
Continuing professional education fees	\$ -
Housing	\$ -
Unvouchered expenses	\$ -
Special meals	\$ -

*See accountants' compilation report.*