

Pamoja Art Society
COMPILED FINANCIAL STATEMENTS
June 30, 2018



CRI CARR
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INGRAM

CPAs and Advisors

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**Pamoja Art Society
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June 30, 2018**

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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, 2018, 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 31, 2018

Pamoja Art Society
Statement of Financial Position

June 30,	2018
Assets	
Current assets	
Cash	\$ 6,907
Grants receivable	2,000
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Total current assets	8,907
Collections	6,600
Property and equipment - net	61,804
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Total assets	\$ 77,311
<hr/>	
Liabilities	
Accounts payable	\$ 8,297
<hr/>	
Total current liabilities	8,297
<hr/>	
Total liabilities	8,297
<hr/>	
Net assets	
Unrestricted	69,014
Temporarily restricted	-
Permanently restricted	-
<hr/>	
Total net assets	69,014
<hr/>	
Total liabilities and net assets	\$ 77,311
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See accompanying notes to financial statements and accountants' compilation report.

**Pamoja Art Society
Statement of Activities**

<i>For the Year Ended June 30, 2018</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue				
State sales tax appropriations	\$ 76,538	\$ -	\$ -	\$ 76,538
Grants	18,050	-	-	18,050
Other	2,093	-	-	2,093
Total revenue	96,681	-	-	96,681
Expenses				
Program services				
Artist and instructor fees	9,040	-	-	9,040
Depreciation	5,511	-	-	5,511
Equipment and supplies	1,099	-	-	1,099
Contract labor	7,656	-	-	7,656
Utilities	3,691	-	-	3,691
Rent	10,000	-	-	10,000
Other	1,588	-	-	1,588
Total program services	38,585	-	-	38,585
Support services				
Accounting services	5,500	-	-	5,500
Contract services	11,420	-	-	11,420
Insurance	1,585	-	-	1,585
Marketing	619	-	-	619
Personnel	6,120	-	-	6,120
Postage and supplies	1,117	-	-	1,117
Telephone	3,446	-	-	3,446
Other	1,193	-	-	1,193
Total support services	31,000	-	-	31,000
Total expenses	69,585	-	-	69,585
Change in net assets	27,096	-	-	27,096
Net assets, beginning of year	41,918	-	-	41,918
Net assets, end of year	\$ 69,014	\$ -	\$ -	\$ 69,014

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

Pamoja Art Society
Statement of Cash Flows

<i>For the Year Ended June 30,</i>	2018
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Cash flows from operating activities	
Increase in net assets	\$ 27,096
Adjustments to reconcile change in net assets to cash provided by operating activities	
Depreciation	5,511
Increase in grants receivable	(2,000)
Increase in accounts payable	8,297
<hr/>	
Cash provided by operating activities	38,904
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Cash flows from investing activities	
Purchase of fixed assets	(39,415)
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Cash used in investing activities	(39,415)
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Net decrease in cash	(511)
Cash, beginning of year	7,418
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Cash, end of year	\$ 6,907
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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, 2018, Pamoja’s sales tax appropriations were \$76,538 and grant revenues were \$18,050. 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.

Net Assets

Under the provisions of FASB ASC 958, “Not-For-Profit Entities,” net assets and revenues and contributions, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Pamoja and changes therein are classified and reported as follows:

Unrestricted net assets

These are net assets that are not subject to donor-imposed stipulations. Support restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Temporarily restricted net assets

These are net assets that are subject to donor-imposed stipulations which may or will be met either by actions of Pamoja and/or the passage of time. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (i.e., when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Permanently restricted net assets

These are net assets that are subject to donor-imposed stipulations requiring that they be maintained permanently by Pamoja. Generally, the donors of these assets permit Pamoja to use all or part of the income earned on related investments for general or specific purposes.

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.

Management believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Pamoja is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for tax years prior to 2013.

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, 2018, the cash balances were fully insured.

Grants Receivable

Federal, state, and local grants receivable are recorded at the amount billed.

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.

Pamoja Art Society
Notes to Financial Statements

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management's Review

Pamoja has evaluated subsequent events through December 31, 2018, which is the date the financial statements were available to be issued, concluding there were no events requiring disclosure.

NOTE 2: PROPERTY AND EQUIPMENT - NET

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

<u>June 30,</u>	<u>2018</u>
Building	\$ 4,000
Building improvements	75,464
Furniture and equipment	16,553
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Total, at cost	96,017
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Accumulated depreciation	(34,213)
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Property and equipment - net	\$ 61,804

Depreciation charged to operations was \$5,511 for the year ended June 30, 2018.

NOTE 3: 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 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, 2018, was \$10,000. Minimum future rental payments to be paid as of June 30, 2018 are as follows:

<u>June 30,</u>	
2019	\$ 10,000
2020	10,000
2021	10,000
2022	10,000
2023	10,000
Thereafter	140,000
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Total	\$ 190,000

NOTE 4: RELATED PARTY TRANSACTIONS

Pamoja paid members of its executive board and other related parties a total of \$10,721 for program services and \$8,620 for support services performed for the year ended June 30, 2018.

Supplementary Information

Pamoja Art Society

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the year ended June 30, 2018

Agency Head Name: Jameelah El-Amin

Purpose	Amount
Salary	\$ 6,120
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.