



Pamoja Art Society

COMPILED FINANCIAL STATEMENTS

June 30, 2021



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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, 2021, 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 assurance on these financial statements.

As described in Note 3 to the financial statements, net assets at the beginning of the fiscal year ending June 30, 2021 have been adjusted for certain receivables that were erroneously accrued at June 30, 2020.

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 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 9, 2021

Pamoja Art Society
Statement of Financial Position

<i>June 30,</i>	2021
Assets	
Current assets	
Cash	\$ 39
Accounts receivable, net	10,163
Total current assets	10,202
Non-current assets	
Collections	6,600
Property and equipment, net	115,690
Total non-current assets	122,290
Total assets	\$ 132,492
Liabilities and Net Assets	
Current liabilities	
Accounts payable	\$ -
Total current liabilities	-
Total liabilities	-
Net assets	
Without donor restrictions	132,492
With donor restrictions	-
Total net assets	132,492
Total liabilities and net assets	\$ 132,492

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

**Pamoja Art Society
Statement of Activities**

<i>For the Year Ended June 30, 2021</i>	Without donor restrictions	With donor restrictions	Total
Revenue and other support			
State sales tax appropriations	\$ 41,237	\$ -	\$ 41,237
Grants	9,900	-	9,900
Other	4,118	-	4,118
Total revenue and other support	55,255	-	55,255
Expenses			
<i>Program services</i>			
Artist and instructor fees	10,135	-	10,135
Depreciation	3,742	-	3,742
Equipment and supplies	612	-	612
Contract labor	500	-	500
Telephone	2,610	-	2,610
Utilities	7,474	-	7,474
Rent	6,500	-	6,500
Total program services	31,573	-	31,573
<i>Supporting services</i>			
General and administrative		-	
Accounting services	4,000	-	4,000
Depreciation	5,352	-	5,352
Executive director compensation	2,400	-	2,400
Insurance	250	-	250
Repairs and maintenance	2,562	-	2,562
Other	2,126	-	2,126
Total supporting services	16,690	-	16,690
Total expenses	48,263	-	48,263
Change in net assets	6,992	-	6,992
Net assets at beginning of year, as originally reported	129,332	6,000	135,332
Prior period adjustment	(3,832)	(6,000)	(9,832)
Net assets at beginning of year, as restated	125,500	-	125,500
Net assets at end of year	\$ 132,492	\$ -	\$ 132,492

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

**Pamoja Art Society
Statement of Cash Flows**

<i>For the Year Ended June 30,</i>	2021
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Operating Activities	
Change in net assets	\$ 6,992
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	9,094
Changes in operating assets and liabilities	
Accounts receivable, net	433
<hr/>	
Net cash provided by (used in) operating activities	16,519
<hr/>	
Investing Activities	
Purchase of property and equipment	(18,886)
<hr/>	
Net cash provided by (used in) investing activities	(18,886)
<hr/>	
Net change in cash	(2,367)
<hr/>	
Cash at beginning of year	2,406
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Cash at end of year	\$ 39
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See accompanying notes to the financial statements and accountants' compilation report.

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 annual sales tax appropriations from the State of Louisiana for African-American cultural activities in Shreveport. For the year ended June 30, 2021, sales tax appropriation revenue recognized was \$41,237. 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, 2021, 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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

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.

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 its 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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

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.

Revenue Recognition

A significant portion of Pamoja's grants and contracts are from government agencies. The benefits received by the public as a result of the assets transferred is not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2021, Pamoja had no unrelated business income.

Pamoja utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2021, Pamoja has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 9, 2021. See Note 13 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Adopted Accounting Guidance

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry specific guidance.

Effective July 1, 2020, Pamoja adopted the new revenue recognition standard (and related amendments), using the modified retrospective method. This method allows the standard to be adopted retrospectively through a cumulative adjustment to retained earnings recognized upon adoption. Adoption of ASU 2014-09 did not have a material impact on these financial statements as Pamoja does not have revenue recognized in accordance with Topic 606.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Guidance Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled Leases. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. Pamoja is currently evaluating the impact of the guidance on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to bring more transparency and consistency to the presentation and disclosure of gifts-in-kind (GIKs). While many not-for-profits (NFPs) already separately report GIKs and make some of the disclosures required by ASU 2020-07, the new standard will bring presentation and disclosure consistency across NFPs. The standard is effective for fiscal years beginning after June 15, 2021. Early adoption is permitted. Pamoja is currently evaluating the impact of the guidance on its financial statements.

Note 3: PRIOR PERIOD ADJUSTMENT

Net assets at the beginning of the fiscal year ending June 30, 2021 have been adjusted for certain receivables that were erroneously accrued at June 30, 2020. During the current year, Pamoja determined that receivables totaling \$9,832 were recorded in error as they did not meet the recognition criteria. The cumulative effect of the adjustments decreased beginning net assets without donor restrictions by \$3,832; net assets with donor restrictions by \$6,000; and total net assets by \$9,832.

Pamoja Art Society
Notes to the Financial Statements

Note 4: 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.

<i>June 30,</i>	2021
Cash	\$ 39
Accounts receivable, net	10,163
Financial assets available within one year	\$ 10,202

Pamoja typically receives notification its annual State of Louisiana sales tax appropriations in the 1st quarter of each fiscal year. Expenditures are generally deferred until notification of the tax appropriations is received to ensure funding is available to meet operating needs.

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

<i>June 30,</i>	2021
State of Louisiana sales tax appropriations	\$ 10,163
Less allowance for doubtful accounts	-
Accounts receivable, net	\$ 10,163

Bad debt expense totaled \$-0- for the year ended June 30, 2021.

Pamoja Art Society
Notes to the Financial Statements

Note 6: PROPERTY AND EQUIPMENT

The components of property and equipment are as follows:

<i>June 30,</i>	Estimated Useful Lives (in years)		2021
Building	40	\$	4,000
Building improvements	10 - 20		150,164
Furniture and equipment	3 - 5		18,062
Total property and equipment			172,226
Less accumulated depreciation			(56,536)
Property and equipment, net			\$ 115,690

Depreciation expense for the year ended June 30, 2021, was \$9,094.

Note 7: NET ASSETS

A summary of net assets without donor restrictions follows:

<i>June 30,</i>		2021
Undesignated	\$	10,202
Invested in collections		6,600
Invested in property and equipment		115,690
Total net assets without donor restrictions	\$	132,492

Note 8: 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, 2021, the cash balances were fully insured.

For the year ended June 30, 2021, approximately 93% of Pamoja's revenue was from two funding sources as follows: 75% from the State of Louisiana sale tax appropriations and 18% from the Black Cultural Arts Coalition. The current level of Pamoja's operations and program services may be impacted if the funding is not renewed.

Pamoja Art Society
Notes to the Financial Statements

Note 9: COMMITMENTS

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, 2021, was \$6,500. Minimum future lease payments to be paid as of June 30, 2021, are as follows:

For the years ending June 30,

2022	\$	10,000
2023		10,000
2024		10,000
2025		10,000
2026		10,000
Thereafter		110,000
Total future minimum lease payments		\$ 160,000

Note 10: 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.

Note 11: RELATED PARTIES

For the year ended June 30, 2021, Pamoja paid members of its executive board and other related parties a total of \$9,400 for program services and \$2,400 for supporting services performed. Included in program services expenses paid to related parties is \$6,500 in rent as disclosed in Note 9 above.

Note 12: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of Pamoja. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

Pamoja Art Society
Notes to the Financial Statements

Note 13: Subsequent Events

Management evaluated all events or transactions that occurred after June 30, 2021 through December 9, 2021, the date Pamoja's financial statements were available to be issued. The following event occurred:

In September 2021, Pamoja executed a \$40,000 line of credit with BOM Bank. The line of credit is due in full on September 14, 2022. Pamoja will pay regular monthly payments of all accrued unpaid interest beginning October 14, 2021. The note is secured by a mortgage on the property located at 1960 Anna Street, Shreveport, LA .

Supplementary Information

Pamoja Art Society
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the year ended June 30, 2021

Agency Head Name: Jameelah El-Amin

Purpose	Amount
Compensation	\$ 2,400
Bonus	\$ -
Benefits - insurance	\$ -
Benefits - retirement	\$ -
Benefits - other	\$ -
Car allowance	\$ -
Per diem	\$ -
Reimbursements	\$ 320
Travel	\$ -
Registration fees	\$ -
Conference travel	\$ -
Continuing professional education fees	\$ -
Housing	\$ -
Unvouchered expenses	\$ -
Special meals	\$ -

See accountants' compilation report.