

MONTANA OPTOMETRIC ASSOCIATION

REVIEWED FINANCIAL STATEMENTS

December 31, 2017 and 2018

MONTANA OPTOMETRIC ASSOCIATION
FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018

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**HENRY FENTON
CERTIFIED PUBLIC ACCOUNTANT**

POST OFFICE BOX 6578
HELENA, MONTANA 59604-6578
Telephone: (406) 449-6049

Fax: (406) 495-9540

Email: fenton.henry@Yahoo.com

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Montana Optometric Association
Helena, Montana

I have reviewed the accompanying financial statements of the Montana Optometric Association (a non-profit organization), which comprise the statements of assets, deferred revenue, and net assets – modified cash basis as of December 31, 2017 and 2018, and the related statements of revenue, expenses, and changes in net assets – modified cash basis, statements of cash flows – modified cash basis, and statements of functional expenses – modified cash basis for the two years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting. This includes 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.


Accountant's Responsibility

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting.

Sincerely,


Certified Public Accountant
Helena, Montana

August 6, 2019

1611 Cedar Street Helena, Montana 59601

MONTANA OPTOMETRIC ASSOCIATION
STATEMENTS OF ASSETS, DEFERRED REVENUE AND NET ASSETS
MODIFIED CASH BASIS

	December 31 2017	December 31 2018
ASSETS		
Cash - checking and money market accounts	\$ 400,525	\$ 554,258
Prepaid expenses	1,537	1,543
TOTAL ASSETS	<u>\$ 402,062</u>	<u>\$ 555,801</u>
 DEFERRED REVENUE		
Prepaid dues	\$ 72,918	\$ 66,061
Prepaid conference registrations	22,130	2,320
Total deferred revenue	<u>\$ 95,048</u>	<u>\$ 68,381</u>
 NET ASSETS		
Without donor restrictions		
Board designated	\$ 62,869	\$ 217,984
Undesignated	219,145	244,436
Total without donor restrictions	282,014	462,420
With donor restrictions	25,000	25,000
Total net assets	<u>\$ 307,014</u>	<u>\$ 487,420</u>
 TOTAL DEFERRED REVENUE AND NET ASSETS	<u>\$ 402,062</u>	<u>\$ 555,801</u>

See the accompanying accountant's review report and the notes to the financial statements.

MONTANA OPTOMETRIC ASSOCIATION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NETS ASSETS
MODIFIED CASH BASIS

	December 31 2017	December 31 2018
REVENUES		
Annual conference income	\$ 144,131	\$ 126,976
Ski conference income	31,717	32,731
Dues income	179,515	187,939
Legal assessment	-	178,700
Buying group income	8,000	6,000
Other meeting income	5,233	5,108
Interest income	392	1,241
Other income	2,062	2,567
TOTAL REVENUES	<u>\$ 371,050</u>	<u>\$ 541,262</u>
EXPENSES		
Conferences and education	\$ 73,626	\$ 71,850
Promote optometric interests	179,453	172,506
Total program expenses	<u>253,079</u>	<u>244,356</u>
Management and general	111,681	116,500
TOTAL EXPENSES	<u>\$ 364,760</u>	<u>\$ 360,856</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	6,290	180,406
NET ASSETS WITHOUT DONOR RESTRICTIONS - BEGINNING OF YEAR	275,724	282,014
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u>\$ 282,014</u>	<u>\$ 462,420</u>
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	-	-
NET ASSETS WITH DONOR RESTRICTIONS - BEGINNING OF YEAR	25,000	25,000
NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR	<u>\$ 25,000</u>	<u>\$ 25,000</u>
TOTAL NET ASSETS	<u>\$ 307,014</u>	<u>\$ 487,420</u>

See the accompanying accountant's review report and the notes to the financial statements.

MONTANA OPTOMETRIC ASSOCIATION
STATEMENTS OF CASH FLOW
MODIFIED CASH BASIS

	December 31 2017	December 31 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 6,290	\$ 180,406
(Increase) decrease in prepaid expenses	(630)	(6)
Increase (decrease) in deferred revenue	11,121	(26,667)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>16,781</u>	<u>153,733</u>
CASH AT BEGINNING OF YEAR	<u>383,744</u>	<u>400,525</u>
CASH AT END OF YEAR	\$ 400,525	\$ 554,258

See the accompanying accountant's review report and the notes to the financial statements.

Montana Optometric Association
Statement of Functional Expenses - Modified Cash Basis
For the Year Ended December 31, 2017

	Conferences and Education		Promote Optometric Interests	Management and General	Total Expenses
	Annual Conference	Ski Conference	Total Conferences and Education		
Accounting					
Advertising		1798	1,798		950
Credit card fees					1,798
Dues					4,046
Fees	996	60	1,056		116,810
Grants/donations				116,810	1,503
Insurance				447	1,500
Legal				1,500	1,500
Meals					2,026
Other contracted services	22,832	5,205	28,037	11,217	11,217
Postage	20,298	5,512	25,810		28,037
Printing /copies				20,168	150,454
Room rental	6,192	638	6,830		
Supplies	2,511	309	309	739	739
Telephone			2,511	1,815	8,645
Travel/lodging	4,485	2,574	7,059		
Miscellaneous	201	15	216		3,063
	57,515	16,111	73,626	24,820	1,104
				281	31,879
				179,453	680
				111,681	364,760

See the accompanying accountant's review report and the notes to the financial statements.

Montana Optometric Association
Statement of Functional Expenses - Modified Cash Basis
For the Year Ended December 31, 2018

	Conferences and Education		Promote Optometric Interests	Management and General	Total Expenses
	Annual Conference	Ski Conference	Total Conferences and Education		
Accounting					1,055
Bank charges					15
Credit card fees					5,847
Dues					123,962
Fees	926	225	1,151		1,657
Insurance					1,986
Legal					23,585
Meals					29,606
Other contracted services	24,414	5,192	29,606		139,695
Postage	18,841	5,971	24,812	107,507	1,069
Printing /copies					7,657
Supplies	4,863	752	5,615		2,465
Telephone	1,576	200	1,776		685
Travel/lodging	6,260	2,435	8,695		21,252
Miscellaneous	195		195		320
	57,075	14,775	71,850	116,500	360,856

See the accompanying accountant's review report and the notes to the financial statements.

MONTANA OPTOMETRIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Montana Optometric Association is a non-profit corporation that was formed to enhance the profession of optometry for the members and the public they serve.

Basis of Accounting

The financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis, revenue is recorded when received rather than when earned except that member dues paid in advance of the year to which they relate and prepayments for conference registrations to be held in the following year are reflected as deferred revenue. Expenses are recognized when paid rather than when the obligation is incurred except that prepayments for facilities for conferences to be held in the following year

Basis of presentation

In 2018 the Association adopted the requirements of Accounting Standards Update (ASU) No. 2016-14 *Presentation of Financial Statements of Not-for Profit Entities* issued by the Financial Accounting Standards Board and effective for fiscal years beginning after December 15, 2017. As required by professional standards, the accompanying financial statements have been prepared to focus on the Association as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classifications of net assets into the following classifications:

Net assets without donor restrictions:

Board designated net assets – amounts designated by the Association's board of directors to be used for specific purposes. These amounts are reported as designated until used for the intended purpose or the board removes the designation. Board designated net assets consist of:

A reserve for legislative and legal costs established by the board of directors in 2004. The board increased the reserve in 2017 to \$62,869.

In 2018 the Association collected \$178,700 in a special assessment from members to be used for ongoing legal costs. Of this amount, \$23,585 was used for legal costs in 2018 leaving a balance of \$155,115.

Undesignated net assets – net assets that are not subject to any donor-imposed stipulations or board designations.

Net assets with donor restrictions:

In 1990 Western Vision Services contributed \$25,000 to the Montana Optometric Association. The income from this endowment is to be used to provide optometric education programs and courses for the members. The principal can be invaded if future circumstances require its need

MONTANA OPTOMETRIC ASSOCIATION
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December 31, 2017 and 2018

to serve other specific purposes. The board of directors must recommend this specific purpose to invade the principal and at least two thirds of its members must approve the use in a regular or special meeting. The amount is invested in a money market account.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

In accordance with professional standards, restricted contributions received and expensed in the same fiscal year are recorded as increases in net assets without donor restrictions.

Also, as required by ASU 2016-14, the Statement of Revenues, Expenses, and Changes in Net Assets reports expenses by their functional expense classifications, such as major program services and supporting activities and a separate statement of functional expenses is included that reports expenses by their natural expense classification within each functional classification.

The requirements of ASU 2016-14 have been applied retroactively to 2017. There were no changes in net assets due to the application of the new standard.

Income Taxes

The Internal Revenue Service has determined that the corporation's income is exempt from tax under the provisions of Internal Revenue Code section 501 (c) (6). Accordingly, the Association does not have any provision for state or federal income tax on income related to the purposes of the Association. The Association's federal Forms 990 are subject to examination by the IRS, generally for three years after they were filed.

Liquidity and Availability

The Association has financial assets available in checking and money market accounts as shown on the statements of assets, deferred revenue, and net assets. All funds are maintained in cash equivalent accounts so that they will be available to meet immediate needs of the Association.

2. RELATED PARTY TRANSACTIONS

The Montana Optometric Association acquires management and various office services from RMS Management Services, which is approved in the annual budget. The Association is billed monthly for the management fee and various office services. RMS Management Services is partly owned and operated by the executive director of the Montana Optometric Association, Sue A. Weingartner. Management fees of \$104,476 and \$107,507 were paid in 2017 and 2018 respectively.

MONTANA OPTOMETRIC ASSOCIATION
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3. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 30, 2019, the date on which the financial statements were available to be issued.