

ZIMMER FELINE FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2017 and 2016

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Zimmer Feline Foundation
Santa Fe, NM 87502-6815

We have reviewed the accompanying financial statements of Zimmer Feline Foundation (a New Mexico nonprofit corporation) which comprise the statements of financial position as of December 31, 2017 and 2016 and the related statements of activities and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company 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 taken as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementing, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

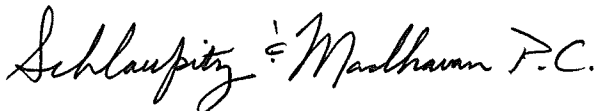
Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

SCHLAUPITZ & MADHAVAN, P.C.



Ann Arbor, Michigan
February 12, 2018

**ZIMMER FELINE FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31**

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents <i>(Note 1)</i>	\$ 1,023,140	\$ 106,179
Prepaid expenses	<u>0</u>	<u>4,950</u>
TOTAL CURRENT ASSETS	<u>1,023,140</u>	<u>111,129</u>
MARKETABLE SECURITIES <i>(Note 2)</i>	<u>1,256,380</u>	<u>1,348,265</u>
TOTAL ASSETS	<u>\$ 2,279,520</u>	<u>\$ 1,459,394</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ <u>177</u>	\$ <u>16</u>
TOTAL CURRENT LIABILITIES	<u>177</u>	<u>16</u>
NET ASSETS <i>(Note 1)</i>		
Unrestricted	2,279,343	1,459,378
Restricted	<u>0</u>	<u>0</u>
TOTAL NET ASSETS	<u>2,279,343</u>	<u>1,459,378</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,279,520</u>	<u>\$ 1,459,394</u>

See accountant's review report on page 1 and notes to the financial statements on pages 5 through 6.

**ZIMMER FELINE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31**

	2017	2016
CHANGES IN UNRESTRICTED NET ASSETS:		
Revenues and gains:		
Contributions (<i>Note 1</i>)	\$ 919,232	\$ 100,228
Dividend income	51,227	64,170
Interest income	2,321	219
Net realized and unrealized gains on marketable securities	<u>156,887</u>	<u>2,065</u>
Total unrestricted revenues and gains	1,129,667	166,682
Net assets released from restrictions (<i>Note 1</i>)	<u>0</u>	<u>0</u>
Total unrestricted revenues, gains and other support	<u>1,129,667</u>	<u>166,682</u>
Expenses and losses:		
Program services	306,312	276,657
Management and general	3,390	4,709
Fundraising	0	0
Net realized and unrealized losses on marketable securities	<u>0</u>	<u>0</u>
Total expenses and losses	<u>309,702</u>	<u>281,366</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>819,965</u>	(114,684)
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>0</u>	<u>0</u>
INCREASE (DECREASE) IN PERMANENTLY RESTRICTED NET ASSETS	<u>0</u>	<u>0</u>
INCREASE (DECREASE) IN NET ASSETS	819,965	(114,684)
NET ASSETS; beginning of year	<u>1,459,378</u>	<u>1,574,062</u>
NET ASSETS; end of year	<u>\$ 2,279,343</u>	<u>\$ 1,459,378</u>

See accountant's review report on page 1 and notes to the financial statements on pages 5 through 6.

**ZIMMER FELINE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31**

	2017	2016
INCREASE (DECREASE) IN CASH		
CASH FLOWS RELATED TO OPERATING ACTIVITIES:		
Cash received from grants and contributions	\$ 919,232	\$ 100,228
Cash paid to suppliers and contractors	(304,592)	(279,626)
Dividends received	51,227	64,170
Interest received	2,321	219
Income taxes paid	<u>0</u>	<u>(1,559)</u>
	<u>668,188</u>	<u>(116,568)</u>
CASH FLOWS RELATED TO INVESTING ACTIVITIES:		
Proceeds from sales of marketable securities	300,000	175,000
Purchases of marketable securities	<u>(51,227)</u>	<u>(64,170)</u>
	<u>248,773</u>	<u>110,830</u>
NET CASH INCREASE (DECREASE)	916,961	(5,738)
CASH; BEGINNING OF YEAR	<u>106,179</u>	<u>111,917</u>
CASH; END OF YEAR	<u>\$ 1,023,140</u>	<u>\$ 106,179</u>

RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO
CASH GENERATED (UTILIZED) BY OPERATING ACTIVITIES

INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$ 819,965	(\$ 114,684)
Net realized and unrealized (gains) losses on marketable securities	(156,887)	(2,065)
RECONCILIATION ADJUSTMENTS:		
Changes in operating assets:		
(Increase) decrease in prepaid expenses	4,950	1,611
Changes in operating liabilities:		
Increase (decrease) in accounts payable	<u>160</u>	<u>(1,430)</u>
	<u>\$ 668,188</u>	<u>(\$ 116,568)</u>

See accountant's review report on page 1 and notes to financial statements on pages 5 through 6.

ZIMMER FELINE FOUNDATION NOTES TO FINANCIAL STATEMENTS

NOTE 1; SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION - The Zimmer Feline Foundation is a nonprofit organization, incorporated in New Mexico in 2012, whose mission is to provide cat welfare services in New Mexico. Zimmer Feline Foundation has been determined by the Internal Revenue Service to be a section 501(c)(3) organization, exempt from federal income tax, and classified as an organization that is a private operating foundation as defined in section 509(a). This Foundation succeeded to the assets of the Zimmer Foundation in 2014, a similar tax exempt private foundation incorporated in Michigan in 1981, and operating continuously, until closed in 2014.

USE OF ESTIMATES - Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

BASIS OF ACCOUNTING - The accounts and financial statements are maintained and presented using the accrual basis of accounting, recognizing revenues when earned and expenses as incurred.

NET ASSETS - Zimmer Feline Foundation observes restrictions placed on the use of resources by segregating unrestricted net assets from those that are permanently or temporarily restricted. All revenues and support not permanently or temporarily restricted is reported as increases in unrestricted net assets available to support general operations.

Donations are reported as temporarily restricted support if they are received with donor stipulations limiting their use, and such stipulations remain unfulfilled as of the end of the year. When the purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets. Donations are reported as unrestricted if no purpose restriction accompanied the donation, and if the purpose restriction is fulfilled within the same fiscal year as the donation is received. The organization presently maintains no permanently restricted net assets such as endowment funds.

FUNCTIONAL REPORTING OF EXPENSES - Zimmer Feline Foundation accumulates and reports its expenses by function as for program services, management & general activities, or fundraising purposes. Program services are activities that fulfill the purposes or mission of the organization and include providing free spay/neuter assistance to pet cats in low-income households, providing veterinary care vouchers to low income households to cover the cost of veterinary services up to set limits per household, as well as, through 2016, caring for elderly cats that were grandfathered in from an Older Cats program operated by the predecessor foundation.

Management and general activities include governance, record-keeping, budgeting and administration other than for direct conduct of program services. Fundraising activities are virtually non-existent in this private foundation because donations are not solicited from the general public.

ZIMMER FELINE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
(concluded)

NOTE 1; SIGNIFICANT ACCOUNTING POLICIES (continued)

CASH AND EQUIVALENTS - The cash classification includes a checking account balance maintained at a commercial bank, of a type insured by the Federal Deposit Insurance Corporation for up to \$250,000 at each bank, and shares of money market mutual funds subject to the risk of a decline in market value below \$1 per share. At December 31, 2017, cash consisted of \$12,065 in insured bank accounts, and \$1,011,075 in money market funds. At December 31, 2016, cash consisted of \$11,656 in insured bank accounts, and \$94,522 in money market funds.

MARKETABLE SECURITIES - Marketable securities consist of publicly traded shares of mutual funds, reported at fair market values. The cost and fair market values at December 31, 2017 and 2016 of the Foundation's portfolio of marketable securities is as follows:

Description	2017	2017	2016	2016
	Market Value	Cost Basis	Market Value	Cost Basis
Debt-invested mutual funds	\$ 285,907	\$ 290,211	\$ 266,881	\$ 272,257
Equity-invested mutual funds	<u>970,473</u>	<u>827,547</u>	<u>1,081,384</u>	<u>1,056,211</u>
	<u>\$ 1,256,380</u>	<u>\$ 1,117,758</u>	<u>\$ 1,348,265</u>	<u>\$ 1,331,468</u>

FIXED ASSETS – Zimmer Feline Foundation presently owns no fixed assets. Computers and office equipment, owned personally by the foundation founders, are made available at no charge for use as needed in Foundation activities.

EVENTS OCCURRING AFTER THE REPORTING DATE - Management has evaluated subsequent events and transactions through February 12 2018, the date on which the financial statements were available to be issued. Subsequent events are occurrences after the December 31, 2017 date of the financial statements, that provide additional evidence about conditions then existing, that may lead to improved estimates incorporated into the financial statements, or that provide evidence about conditions that did not exist at the date of the financial statements but arose subsequently.

NOTE 2; RELATED PARTY TRANSACTIONS

The only related parties are founders and directors of the foundation, and the only transactions with related parties are the acceptance of donations from those parties. No lending or borrowing transactions have occurred with any director. The foundation receives the benefit of services volunteered by its officers and directors without compensation. The values of contributed services and supplies are not recorded in the financial statements because of the difficulty of objectively measuring and valuing them.