

MICHAEL ROLFE PANCREATIC CANCER FOUNDATION

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2012 AND 2011

RUZICKA & ASSOCIATES, LTD.

Certified Public Accountants

Independent Auditor's Report

The Board of Directors of
Michael Rolfe Pancreatic Cancer Foundation

We have audited the accompanying financial statements of Michael Rolfe Pancreatic Cancer Foundation, which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

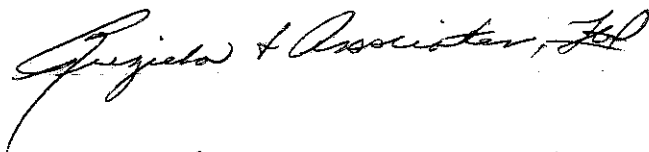
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Michael Rolfe Pancreatic Cancer Foundation, as of December 31, 2012 and 2011 and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Northbrook, IL
March 5, 2013



MICHAEL ROLFE PANCREATIC CANCER FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2012 AND 2011

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
ASSETS						
Assets						
Cash and cash equivalents	\$ 362,647		362,647	\$ 335,303		335,303
Pledge and gifts receivable		20,000	20,000		60,123	60,123
Prepaid expenses	9,846		9,846	16,574		16,574
Deposits	1,500		1,500	1,500		1,500
Furniture and equipment, less accumulated depreciation	2,315		2,315	3,697		3,697
Total assets	\$ 376,308	20,000	396,308	\$ 357,074	60,123	417,197
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued expenses	\$ 5,718		5,718	\$ 8,801		8,801
Total liabilities	5,718		5,718	8,801		8,801
Net assets	370,590	20,000	390,590	348,273	60,123	408,396
Total liabilities and net assets	\$ 376,308	20,000	396,308	\$ 357,074	60,123	417,197

See independent auditor's report and notes to financial statements.

MICHAEL ROLFE PANCREATIC CANCER FOUNDATION

STATEMENTS OF ACTIVITIES
AND CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue						
Contributions	\$ 203,977		203,977	\$ 422,896	41,000	463,896
Special events						
Proceeds	424,506		424,506	162,281		162,281
Expenses	(246,413)		(246,413)	(119,206)		(119,206)
Net assets released from restriction	40,123	(40,123)		22,211	(22,211)	
Investment income	27		27	68		68
Other	635		635			
Total revenue	422,855	(40,123)	382,732	488,250	18,789	507,039
Expenses						
Program	293,573		293,573	333,157		333,157
Management and general	49,469		49,469	71,761		71,761
Fund raising	57,496		57,496	110,938		110,938
Total expenses	400,538		400,538	515,856		515,856
Change in net assets	22,317	(40,123)	(17,806)	(27,606)	18,789	(8,817)
Net assets, beginning of year	348,273	60,123	408,396	375,879	41,334	417,213
Net assets, end of year	\$ 370,590	20,000	390,590	\$ 348,273	60,123	408,396

See independent auditor's report and notes to financial statements.

MICHAEL ROLFE PANCREATIC CANCER FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2012

	Program	Management and General	Fund Raising	Total
Grants	\$ 280,841			280,841
Salary	8,062	25,576	27,938	61,576
Payroll taxes	617	1,956	2,137	4,710
Postage	170	539	589	1,298
Professional services	1,119	10,259	3,878	15,256
Supplies	282	894	977	2,153
Occupancy	1,230	3,901	4,261	9,392
Telephone	241	765	836	1,842
Advertising	60			60
Travel and meals	395	1,253	1,369	3,017
Fees and charges		3,484	14,591	18,075
Insurance	178	566	618	1,362
Depreciation	87	276	302	665
Other	291			291
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Total	\$ 293,573	49,469	57,496	400,538
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See independent auditor's report and notes to financial statements.

MICHAEL ROLFE PANCREATIC CANCER FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2011

	Program	Management and General	Fund Raising	Total
Grants	\$ 303,188			303,188
Salary	16,535	38,257	65,714	120,506
Payroll taxes	1,265	2,927	5,027	9,219
Printing	404	933	1,604	2,941
Postage	164	379	651	1,194
Professional services	3,768	8,187	3,175	15,130
Supplies	172	399	685	1,256
Occupancy	3,032	7,015	12,049	22,096
Telephone	446	1,033	1,774	3,253
Advertising	2,380			2,380
Equipment repairs and maintenance	269	621	1,068	1,958
Travel and meals	574	1,327	2,280	4,181
Fees and charges		5,690	13,095	18,785
Insurance	702	1,625	2,792	5,119
Depreciation	258	595	1,024	1,877
Other		2,773		2,773
Total	\$ 333,157	71,761	110,938	515,856

See independent auditor's report and notes to financial statements.

MICHAEL ROLFE PANCREATIC CANCER FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
Cash flows from operating activities:		
Change in net assets	\$ (17,806)	\$ (8,817)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	1,382	1,877
Decrease (increase) in pledge and gifts receivable	40,123	(18,789)
Decrease (increase) in prepaid expenses	6,728	(13,874)
Decrease in deposits		390
(Decrease) increase in accounts payable and accrued expenses	(3,083)	3,099
Net cash provided (used) by operating activities	27,344	(36,114)
Cash flows from investing activities:		
Net cash used in investing activities		
Net increase (decrease) in cash	27,344	(36,114)
Cash at beginning of year	335,303	371,417
Cash at end of year	\$ 362,647	\$ 335,303

See independent auditor's report and notes to financial statements.

MICHAEL ROLFE PANCREATIC CANCER FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

1. Nature of organization and significant accounting policies:

The Michael Rolfe Pancreatic Cancer Foundation is an Illinois Not For Profit Corporation organized to provide funds for pancreatic cancer research.

Revenue and expense recognition

Revenue and expenses are recorded on the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized as incurred. All contributions are considered to be available for unrestricted use unless otherwise specifically restricted by donors. Contributions are recorded and recognized as income when notice of award is received. Restricted contributions are recorded as revenue in temporarily restricted net assets if limited by donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by action of the Foundation or in permanently restricted net assets if such contributions are non-expendable. When a donor restriction expires, that is, 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. Grants awarded are expensed when the recipient is notified of the award.

Estimates

The 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. Accordingly, actual results could differ from those estimates.

2. Net assets:

The Foundation classifies its net assets into three categories:

Unrestricted net assets include all of the unrestricted support and revenue of the Foundation, all of the expenses of the Foundation, and transfers from temporarily restricted net assets for reimbursement of expenditures that meet the restrictions of the donors.

Temporarily restricted net assets include all the restricted support and revenue of the Foundation. Transfers are made from this fund to unrestricted net assets as expenditures are incurred which meet the restrictions of the donors.

Permanently restricted net assets include funds received from donors with the stipulation that the Foundation permanently retain them in perpetuity and that only the income and/or use of the assets are available to the Foundation. At December 31, 2012 and 2011 there are no permanently restricted net assets.

3. **Cash and cash equivalents:**

Cash and cash equivalents at December 31, 2012 and 2011 consist of bank and money market funds.

4. **Income taxes and tax-exempt status:**

The Foundation is exempt from taxes under section 501(c) (3) of the Internal Revenue Code as a public charity.

The Foundation follows the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under the guidance, the Foundation may recognize the tax benefits from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Foundation and various positions related to potential sources of unrelated business taxable income. As of December 31, 2012 and 2011, there were no unrecognized tax benefits identified or recorded as liabilities.

The Foundation files Form 990 in the U.S. federal jurisdiction. The Foundation is no longer subject to examination by the Internal Revenue Service for years before 2009.

5. **Temporarily restricted net assets:**

Temporarily restricted net assets relate to cash and pledges received for the “One Thousand Days of Pancreatic Cancer” campaign. Pledges maturities are as follows: \$15,000 in 2013 and \$5,000 in 2014. Net assets released from restriction in 2012 and 2011 reflect the scheduled payments in each year on such pledges.

7. **Rent commitment:**

The Foundation leases office space under a lease agreement through February 28, 2015. Rent expense equaled \$18,740 in 2012 and \$18,370 in 2011. Future rent commitments are \$19,409 in 2014, and \$3,310 in 2015. The effect of rent escalators are immaterial, thus rent is recognized as paid.

8. **Grants:**

The Foundation annually awards grants to various organizations to promote research for the early detection of pancreatic cancer. The grants awarded for the years ended December 31, 2012 and 2011 were \$280,841 and \$303,188, respectively.

9. **Subsequent events:**

The Foundation has evaluated subsequent events for potential recognition and/or disclosure through March 5, 2013, the date the financial statements were available to be issued.