

**MICHAEL ROLFE PANCREATIC CANCER FOUNDATION**

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

**DECEMBER 31, 2011 AND 2010**

# ***RUZICKA & ASSOCIATES, LTD.***

*Certified Public Accountants*

The Board of Directors  
Michael Rolfe Pancreatic Cancer Foundation

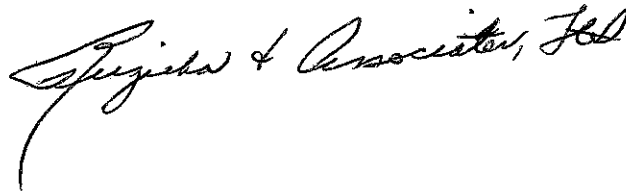
## **Independent Auditor's Report**

We have audited the accompanying statements of financial position of Michael Rolfe Pancreatic Cancer Foundation as of December 31, 2011 and 2010 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the management of the Michael Rolfe Pancreatic Cancer Foundation. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the statements referred to above present fairly, in all material respects, the financial position of Michael Rolfe Pancreatic Cancer Foundation as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

March 7, 2012

A handwritten signature in black ink that reads "Ruzicka & Associates, Ltd." The signature is written in a cursive, flowing style.

**MICHAEL ROLFE PANCREATIC CANCER FOUNDATION**

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2011 AND 2010**

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>ASSETS</b>						
Assets						
Cash and cash equivalents	\$ 335,303		335,303	\$ 371,417		371,417
Pledge and gifts receivable		60,123	60,123		41,334	41,334
Prepaid expenses	16,574		16,574	2,700		2,700
Deposits	1,500		1,500	1,890		1,890
Furniture and equipment, less accumulated depreciation	3,697		3,697	5,574		5,574
<b>Total assets</b>	<b>\$ 357,074</b>	<b>60,123</b>	<b>417,197</b>	<b>\$ 381,581</b>	<b>41,334</b>	<b>422,915</b>
<b>LIABILITIES AND NET ASSETS</b>						
Liabilities						
Accounts payable and accrued expenses	\$ 8,801		8,801	\$ 5,702		5,702
<b>Total liabilities</b>	<b>8,801</b>		<b>8,801</b>	<b>5,702</b>		<b>5,702</b>
<b>Net assets</b>	<b>348,273</b>	<b>60,123</b>	<b>408,396</b>	<b>375,879</b>	<b>41,334</b>	<b>417,213</b>
<b>Total liabilities and net assets</b>	<b>\$ 357,074</b>	<b>60,123</b>	<b>417,197</b>	<b>\$ 381,581</b>	<b>41,334</b>	<b>422,915</b>

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, 2011 AND 2010**

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue						
Contributions	\$ 422,896	41,000	463,896	\$ 206,918	49,000	255,918
Special events						
Proceeds	162,281		162,281	177,309		177,309
Expenses	(119,206)		(119,206)	(100,867)		(100,867)
Net assets released from restriction	22,211	(22,211)		64,332	(64,332)	
Investment income	68		68	121		121
Total revenue	488,250	18,789	507,039	347,813	(15,332)	332,481
Expenses						
Program	333,157		333,157	66,913		66,913
Management and general	71,761		71,761	72,469		72,469
Fund raising	110,938		110,938	82,800		82,800
Total expenses	515,856		515,856	222,182		222,182
Change in net assets	(27,606)	18,789	(8,817)	125,631	(15,332)	110,299
Net assets, beginning of year	375,879	41,334	417,213	250,248	56,666	306,914
Net assets, end of year	\$ 348,273	60,123	408,396	\$ 375,879	41,334	417,213

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

**MICHAEL ROLFE PANCREATIC CANCER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2011**

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
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	<u>\$ 333,157</u>	<u>71,761</u>	<u>110,938</u>	<u>515,856</u>

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

**MICHAEL ROLFE PANCREATIC CANCER FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2010**

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Grants	\$ 38,000			38,000
Salary	15,180	35,250	59,770	110,200
Payroll taxes	1,163	2,698	4,569	8,430
Postage	238	551	933	1,722
Professional services	6,784	14,376		21,160
Supplies	1,049	2,431	4,118	7,598
Occupancy	1,804	4,184	7,086	13,074
Telephone	540	540	2,523	3,603
Advertising	1,340			1,340
Travel and meals		1,778	1,778	3,556
Fees and charges		9,371		9,371
Insurance	344	797	1,350	2,490
Depreciation	171	397	673	1,242
Other	300	96		396
Total	<u>\$ 66,913</u>	<u>72,469</u>	<u>82,800</u>	<u>222,182</u>

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

**MICHAEL ROLFE PANCREATIC CANCER FOUNDATION**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$ (8,817)	\$ 110,299
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation	1,877	1,242
(Increase) decrease in pledge and gifts receivable	(18,789)	15,332
(Increase) in prepaid expenses	(13,874)	(2,700)
Decrease in deposits	390	874
Increase (decrease) in accounts payable and accrued expenses	<u>3,099</u>	<u>(3,444)</u>
Net cash (used) provided by operating activities	<u>(36,114)</u>	<u>121,603</u>
Cash flows from investing activities:		
Purchase of furniture and equipment		<u>(3,171)</u>
Net cash used in investing activities		<u>(3,171)</u>
Net (decrease) increase in cash	(36,114)	118,432
Cash at beginning of year	<u>371,417</u>	<u>252,985</u>
Cash at end of year	<u>\$ 335,303</u>	<u>\$ 371,417</u>

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

# MICHAEL ROLFE PANCREATIC CANCER FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

### 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 Pancreatic Cancer.

#### **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, 2011 and 2010 there are no permanently restricted net assets.



**3. Cash and cash equivalents:**

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

**4. Tax-exempt status:**

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

**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: \$50,123 in 2012 and \$10,000 in 2013. Net assets released from restriction in 2011 and 2010 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 \$18,370 in 2011 and \$13,074 in 2010. Future rent commitments are \$18,917 in 2013, \$19,409 in 2014, and \$3,310 in 2015. The effect of rent escalators are immaterial, thus rent is recognized as paid.

**8. Subsequent events:**

The Foundation has evaluated subsequent events for potential recognition and/or disclosure through March 7, 2012, the date the financial statements were available to be issued.

**9. Grants:**

The Foundation annually awards grants to various organizations to promote Pancreatic Cancer for the early detection of pancreatic cancer. The grants awarded for the years ended December 31, 2011 and 2010 were \$303,188 and \$38,000, respectively. The Foundation had previously awarded the majority of their grants in the month of December. However, in December 2010 it was determined that the awarding of grants should be deferred until April of the following year when the final results of the previous year’s fundraising results are known. On an ongoing basis, it is anticipated that grants will be awarded in April of each year.