# Michael Rolfe Pancreatic Cancer Foundation
# d/b/a Rolfe Pancreatic Cancer Foundation

Financial Statements

Years Ended December 31, 2018 and 2017

WIPFLi LLP
CPAs and Consultants

WIPFLi LLP

# Independent Auditor's Report

To the Board of Directors
Michael Rolfe Pancreatic Cancer Foundation
d/b/a Rolfe Pancreatic Cancer Foundation
Chicago, Illinois

**Report on the Financial Statements**
We have audited the accompanying financial statements of Michael Rolfe Pancreatic Cancer Foundation d/b/a Rolfe Pancreatic Cancer Foundation (a not-for-profit corporation, the "Foundation"), which comprise the statements of financial position as of December 31, 2018 and 2017, 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; 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, the Foundation adopted the amendments in the Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities - Presentation of Financial Statements for Not-for-Profit Entities*, as of and for the year ended December 31, 2018. The amendments have been applied on a retrospective basis with the exception of the omission of certain information as permitted by the ASU.

**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 d/b/a Rolfe Pancreatic Cancer Foundation as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Wipfli LLP

May 15, 2019
Lincolnshire, Illinois

# Michael Rolfe Pancreatic Cancer Foundation
# d/b/a Rolfe Pancreatic Cancer Foundation
## Statements of Financial Position

| *December 31,* | | 2018 | | 2017 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Current Assets** | | | | |
| Cash | $ | 399,514 | $ | 432,896 |
| Receivables | | 78,446 | | 20,000 |
| Prepaid Expenses | | 14,474 | | 14,103 |
| Deposits | | 2,187 | | 2,187 |
| Total Current Assets | | 494,621 | | 469,186 |
| **Property and Equipment** | | | | |
| Furniture and Equipment | | 19,037 | | 17,537 |
| Accumulated Depreciation and Amortization | | (13,303) | | (12,170) |
| Net Property and Equipment | | 5,734 | | 5,367 |
| Total Assets | $ | 500,355 | $ | 474,553 |
| **Liabilities and Net Assets** | | | | |
| **Current Liabilities** | | | | |
| Accounts Payable and Accrued Liabilities | $ | 9,626 | $ | 15,172 |
| Grants Payable | | 20,000 | | - |
| Total Currrent Liabilities | | 29,626 | | 15,172 |
| **Long-Term Liabilities** | | | | |
| Grants Payable, net of current portion | | 60,000 | | - |
| Total Liabilities | | 89,626 | | 15,172 |
| **Net Assets** | | | | |
| Without Donor Restriction | | 299,172 | | 378,993 |
| With Donor Restriction | | 111,557 | | 80,388 |
| Total Net Assets | | 410,729 | | 459,381 |
| Total Liabilities and Net Assets | $ | 500,355 | $ | 474,553 |

See accompanying notes to financial statements.

# Michael Rolfe Pancreatic Cancer Foundation
# d/b/a Rolfe Pancreatic Cancer Foundation
## Statements of Activities and Changes in Net Assets

| | 2018 | | | 2017 | | |
|---|---|---|---|---|---|---|
| *Years Ended December 31,* | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| **Support and Revenue:** | | | | | | |
| Contributions | $ 231,724 | $ 132,000 | $ 363,724 | $ 350,271 | $ 80,388 | $ 430,659 |
| Special Events: | | | | | | |
| Gross Proceeds | 683,703 | - | 683,703 | 628,747 | - | 628,747 |
| Direct Expenses | (304,100) | - | (304,100) | (337,493) | - | (337,493) |
| Investment Income | 94 | - | 94 | 2 | - | 2 |
| Other | - | - | - | 59 | - | 59 |
| Net Assets Released from Restrictions | 100,831 | (100,831) | - | - | - | - |
| Total Support and Revenue | 712,252 | 31,169 | 743,421 | 641,586 | 80,388 | 721,974 |
| **Expenses:** | | | | | | |
| Program Services | 613,289 | - | 613,289 | 536,863 | - | 536,863 |
| Management and General | 84,342 | - | 84,342 | 57,152 | - | 57,152 |
| Fund Raising | 94,442 | - | 94,442 | 82,039 | - | 82,039 |
| Total Expenses | 792,073 | - | 792,073 | 676,054 | - | 676,054 |
| Change in Net Assets | (79,821) | 31,169 | (48,652) | (34,468) | 80,388 | 45,920 |
| Net Assets at Beginning of Year | 378,993 | 80,388 | 459,381 | 413,461 | - | 413,461 |
| Net Assets at End of Year | $ 299,172 | $ 111,557 | $ 410,729 | $ 378,993 | $ 80,388 | $ 459,381 |

See accompanying notes to financial statements.

# Michael Rolfe Pancreatic Cancer Foundation
# d/b/a Rolfe Pancreatic Cancer Foundation
## Statements of Functional Expenses

| | 2018 | | | | 2017 | | | |
|---|---|---|---|---|---|---|---|---|
| *Years Ended December 31,* | Program Services | Management and General | Fund Raising | Total | Program Services | Management and General | Fund Raising | Total |
| Grants | $ 512,914 | $ - | $ - | $ 512,914 | $ 399,981 | $ - | $ - | $ 399,981 |
| Salary | 13,830 | 54,140 | 61,880 | 129,850 | 27,915 | 29,890 | 48,992 | 106,797 |
| Payroll Taxes | 1,061 | 4,156 | 4,749 | 9,966 | 2,102 | 2,252 | 3,690 | 8,044 |
| Professional Services | 69,681 | 8,305 | 4,922 | 82,908 | 89,799 | 7,235 | 5,552 | 102,586 |
| Outside Services | 183 | - | - | 183 | - | - | - | - |
| Supplies | 658 | 2,578 | 2,945 | 6,181 | 1,956 | 2,095 | 3,433 | 7,484 |
| Postage | 35 | 136 | 155 | 326 | 533 | 570 | 935 | 2,038 |
| Occupancy | 2,052 | 8,033 | 9,183 | 19,268 | 4,277 | 4,578 | 7,506 | 16,361 |
| Telephone | 425 | 1,661 | 1,902 | 3,988 | 917 | 979 | 1,610 | 3,506 |
| Travel and Meals | 120 | 468 | 535 | 1,123 | 307 | 329 | 539 | 1,175 |
| Meetings | 5,582 | - | - | 5,582 | 4,722 | - | - | 4,722 |
| Young Professionals Board | 119 | - | - | 119 | 185 | - | - | 185 |
| Fees and Charges | - | 3,055 | 6,103 | 9,158 | - | 7,954 | 7,701 | 15,655 |
| Depreciation, excludes $423 and $742 allocated to Special Events for 2018 and 2017 | 76 | 296 | 338 | 710 | 232 | 249 | 407 | 888 |
| Insurance | 387 | 1,514 | 1,730 | 3,631 | 954 | 1,021 | 1,674 | 3,649 |
| Other | 6,166 | - | - | 6,166 | 2,983 | - | - | 2,983 |
| Total | $ 613,289 | $ 84,342 | $ 94,442 | $ 792,073 | $ 536,863 | $ 57,152 | $ 82,039 | $ 676,054 |

# Michael Rolfe Pancreatic Cancer Foundation
# d/b/a Rolfe Pancreatic Cancer Foundation
## Statements of Cash Flows

| *Years Ended December 31,* | 2018 | 2017 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Increase (Decrease) in Net Assets | $ (48,652) | $ 45,920 |
| Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities | | |
| Depreciation | 1,133 | 1,630 |
| (Increase) Decrease: | | |
| Receivables | (58,446) | (20,000) |
| Prepaid Expenses | (371) | (9,962) |
| Increase (Decrease): | | |
| Accounts Payable and Accrued Liabilities | (5,546) | (5,187) |
| Grants payable | 80,000 | - |
| Total Adjustments | 16,770 | (33,519) |
| Net Cash Provided (Used) by Operating Activities | (31,882) | 12,401 |
| **Cash Flows from Investing Activities** | | |
| Purchase of Property and Equipment | (1,500) | - |
| Net Cash Used by Investing Activities | (1,500) | - |
| **Net Increase (Decrease) in Cash** | (33,382) | 12,401 |
| **Cash, Beginning of Year** | 432,896 | 420,495 |
| **Cash, End of Year** | $ 399,514 | $ 432,896 |

See accompanying notes to financial statements.

# Michael Rolfe Pancreatic Cancer Foundation
# d/b/a Rolfe Pancreatic Cancer Foundation
## Notes to Financial Statements

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## Note 1: Summary of Significant Accounting Policies

### Organization

The Michael Rolfe Pancreatic Cancer Foundation d/b/a Rolfe Pancreatic Cancer Foundation (“the Foundation”) is an Illinois not-for-profit corporation incorporated on December 27, 1999. The Foundation’s mission is to serve as a catalyst for the early diagnosis and ultimate cure of pancreatic cancer. The goals of the Foundation are to advance the development of early detection, fund medical research at leading clinical and academic centers, and provide resources for pancreatic cancer patients and their loved ones throughout the United States. The Foundation is supported through public and private donations, event sponsorships and event attendance.

### Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States ("GAAP").

### Basis of Presentation

Financial statement presentation follows GAAP for financial statement presentation for not-for-profit organizations. Such principles provide that the Foundation is required to report information regarding its financial position and activities according to two classes of net assets. A definition and description of each class follows:

> **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
>
> **Net Assets With Donor Restrictions** - Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

As of December 31, 2018 and 2017, the Foundation held $111,557 and $80,388, respectively, net assets with donor restrictions.

### 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 without donor restriction unless specifically restricted by donors. Unrestricted contributions, those without donor restrictions, are recorded and recognized as revenue when received. Contributions with donor restrictions are recorded as revenue when they are received and/or pledged to the Foundation and transferred to the unrestricted fund when they are expended.

## Note 1: Summary of Significant Accounting Policies (Continued)

### Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Functional Allocation of Expenses

Expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program and/or to supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Allocatable expenses include salaries and related costs, professional services, travel and meal costs, these are allocated on the basis of estimates of time and effort devoted to the program or category. The remainder of the expenses are allocated based on program budget and or percentage of payroll costs to the program/category. Grants are provided to advance the development of early detection and to fund medical research, these costs are classified as program expenses.

### Contributions and Grants

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Grants and other contributions are reported as net assets with donor restriction if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Contributions with restrictions that are met in the same period as receipt are reported as unrestricted support.

### Property and Equipment

Property and equipment are carried at cost or at estimated value on date of donation. All purchases in excess of $1,000 are capitalized while lesser amounts are charged to expense. Depreciation on property and equipment is computed using the straight-line method over the estimated useful lives of the assets, which is five years. Gains and losses from the sale of property and equipment are included in income. Maintenance and repairs are charged to operations.

### Fair Value Disclosures

The fair value of financial instruments including cash, receivables, prepaid expenses, deposits, accounts payable and accrued liabilities approximates the carrying values, principally because of the short maturity of those items.

## Note 1: Summary of Significant Accounting Policies (Continued)

**Income Taxes**

The Foundation has been classified by the Internal Revenue Service as an organization exempt from income taxes (not a private foundation) under Internal Revenue Code Section 501(c)(3) and, accordingly, no provision for such taxes is made in the statements. The Foundation continues to operate in compliance with its tax-exempt purpose.

The Foundation files U.S. federal and Illinois state informational tax returns. The federal and state informational tax returns of the Foundation for tax years 2015, 2016 and 2017 can be subject to examinations by tax authorities, generally for three years after they were filed. The Foundation recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. At December 31, 2018 and 2017 there was no interest or penalties relating to income taxes recognized in the statement of activities.

**Change in Accounting Policy**

In 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities* (Topic 958). This ASU provides certain improvements in financial reporting for not-for-profit organizations and requires changes to net asset classification, enhancements to liquidity presentation and disclosures, presentation of an analysis of expenses by function and by nature, netting of investment expenses with return, among other changes. The guidance was adopted effective January 1, 2018 and was applied retrospectively with the exception of certain omissions permitted by the ASU. The adoption of ASU No. 2016-14 had no material changes in the presentation of the Foundation's financial statements.

There were no changes to amounts reported for the year ended December 31, 2017 to reflect the change.

**Recently Issued Accounting Standards**

On June 21, 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in this update will assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a transaction is conditional. The amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2018, and for interim periods within fiscal years beginning after December 15, 2019, for transactions in which the entity serves as the resource recipient. Early application of the amendments in this update is permitted. The Foundation is still evaluating the impact of the provisions of ASU Topic 958.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The amendments in this ASU revise the accounting related to lessee accounting. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset for substantially all leases with lease terms in excess of twelve months. The new lease guidance also simplifies the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. The amendments in this ASU are effective for fiscal years beginning after December 15, 2018 and are to be applied through a modified retrospective transition approach for leases

## Note 1: Summary of Significant Accounting Policies (Continued)

**Recently Issued Accounting Standards** (Continued)

existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. Early adoption is permitted. The Foundation continues to evaluate the effect that the implementation of this ASU will have on its financial statements and related disclosures.

**Subsequent Events**

Management has evaluated subsequent events through May 15, 2019, the date the financial statements were available to be issued.

## Note 2: Net Assets with Donor Restrictions and Current Year Releases of Donor Restrictions

Net assets with donor restrictions consist of funds donated to the Foundation for research grants and event sponsorships. Net assets in this category at December 31, 2018 and 2017 were $111,557 and $80,388, respectively.

| Program | Restricted Purpose | With Donor Restrictions 12/31/2017 | 2018 With Donor Restrictions | 2018 Releases From Restrictions | With Donor Restrictions 12/31/2018 |
|---|---|---|---|---|---|
| University of Chicago | Research | $ 29,557 | $ 46,677 | $ 50,000 | $ 26,234 |
| Sponsorships | Sponsorships | 50,831 | 60,323 | 50,831 | 60,323 |
| Grants - 2019 | Research | - | 25,000 | - | 25,000 |
| Total | | $ 80,388 | $ 132,000 | $ 100,831 | $ 111,557 |

## Note 3: Liquidity

As part of the Foundation's liquidity management, it maintains cash in excess of daily requirements in a money market account. In the event of an unanticipated liquidity need, the Foundation can utilize the money market account whose balance approximates $5,700 at December 31, 2018.

The following reflects the Foundation's financial assets as of the statement of financial position date, including amounts not available within one year of the statement of financial position.

| | | |
|---|---|---|
| Financial assets, as of December 31, 2018 | $ | 477,960 |
| Less: | | |
| Contractual or donor - imposed restrictions making financial assets unavailable for general expenditure | | (111,557) |
| Financial assets available within one year to meet cash needs for general expenditures within one year | $ | 366,403 |

## Note 4: Rent Commitment

The Foundation leases its office space in Chicago, Illinois under a non-cancelable operating lease due to expire February 2021. The lease contains one 3 year renewal option which calls for a rent increase of 2-1/2% annually. The Foundation is not responsible for any further costs outside of the office space they occupy. The future lease commitments on the lease is as follows:

| | | |
|---|---|---|
| 2019 | $ | 28,146 |
| 2020 | | 28,850 |
| 2021 | | 4,828 |
| Total | $ | 61,824 |

During 2018 and 2017, rent expense equaled $30,711 and $30,023, respectively, including $11,443 and $13,662 allocated to special events.

## Note 5: Grants

The Foundation annually awards grants to various organizations to promote research for the early detection of pancreatic cancer. For the years ended December 31, 2018 and 2017, grants were $512,914 and $399,981, respectively.

## Note 6: 401(k) Retirement Plan

The Foundation adopted a 401(k) defined contribution benefit plan on June 29, 2012. Employees who are 21 years or older are eligible to participate immediately upon hire. The plan includes a mandatory safe harbor contribution provision of 1% as well as a provision for an additional matching contribution as approved by the Board of the Foundation and a discretionary profit sharing provision. Employees are not eligible for the matching 401(k) contribution and discretionary profit sharing contribution until they complete one full year of service and a minimum of 1,000 hours of work. Employees are fully vested in employer contributions after six years of participation. The vesting grows in 20% increments starting after two years of service. No matching contributions were made in December 31, 2018 and 2017.

## Note 7: Compensated Absences

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. The Foundation's policy is to recognize these costs when actually paid.

## Note 8: Concentration of Cash

At December 31, 2018 and 2017, the Foundation maintained cash at a financial institution in excess of the Federal Deposit Insurance Corporation's ("FDIC") limit of $250,000. At December 31, 2018 and 2017, the uninsured balances totaled $167,253 and $132,275 respectively.