

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

Financial Statements

Years Ended December 31, 2019 and 2018



**WIPFLI**

## **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, 2019 and 2018, 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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2019 and 2018, 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*

November 11, 2020  
Lincolnshire, Illinois

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

## Statements of Financial Position

<i>December 31,</i>	2019	2018
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 451,528	\$ 399,514
Accounts receivable	5,950	78,446
Prepaid expenses	6,656	14,474
Total current assets	464,134	492,434
<b>Property and equipment</b>		
Furniture and equipment	20,080	19,037
Accumulated depreciation and amortization	(15,225)	(13,303)
Net property and equipment	4,855	5,734
<b>Other assets</b>		
Deposits	2,187	2,187
Total assets	\$ 471,176	\$ 500,355
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 13,486	\$ 3,173
Accrued expenses	23,062	6,453
Grants payable	20,000	20,000
Total current liabilities	56,548	29,626
<b>Long-term liabilities</b>		
Grants payable, net of current portion	40,000	60,000
Total liabilities	96,548	89,626
<b>Net assets</b>		
Without donor restriction	374,628	299,172
With donor restriction	-	111,557
Total net assets	374,628	410,729
Total liabilities and net assets	\$ 471,176	\$ 500,355

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**

<i>Years Ended December 31,</i>	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Contributions	\$ 193,349	\$ -	\$ 193,349	\$ 231,724	\$ 132,000	\$ 363,724
Special events:						
Gross proceeds	773,729	-	773,729	683,703	-	683,703
Direct expenses	(324,750)	-	(324,750)	(304,100)	-	(304,100)
Investment income	88	-	88	94	-	94
Net assets released from restrictions	111,557	(111,557)	-	100,831	(100,831)	-
<b>Total support and revenue</b>	<b>753,973</b>	<b>(111,557)</b>	<b>642,416</b>	<b>712,252</b>	<b>31,169</b>	<b>743,421</b>
Expenses:						
Program services	489,752	-	489,752	613,289	-	613,289
Management and general	91,368	-	91,368	84,342	-	84,342
Fund raising	97,397	-	97,397	94,442	-	94,442
<b>Total expenses</b>	<b>678,517</b>	<b>-</b>	<b>678,517</b>	<b>792,073</b>	<b>-</b>	<b>792,073</b>
Change in net assets	75,456	(111,557)	(36,101)	(79,821)	31,169	(48,652)
Net assets at beginning of year	299,172	111,557	410,729	378,993	80,388	459,381
Net assets at end of year	\$ 374,628	\$ -	\$ 374,628	\$ 299,172	\$ 111,557	\$ 410,729

See accompanying notes to financial statements.

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

<i>Years Ended December 31,</i>	2019				2018			
	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
Grants	\$ 414,500	\$ -	\$ -	\$ 414,500	\$ 512,914	\$ -	\$ -	\$ 512,914
Salary	11,763	56,849	63,329	131,941	13,830	54,140	61,880	129,850
Payroll taxes	888	4,400	4,901	10,189	1,061	4,156	4,749	9,966
Professional services	39,146	11,655	5,743	56,544	69,681	8,305	4,922	82,908
Outside services	1,784	-	-	1,784	183	-	-	183
Supplies	436	2,161	2,407	5,004	658	2,578	2,945	6,181
Postage	81	402	448	931	35	136	155	326
Advertising	10,001	-	-	10,001	-	-	-	-
Occupancy	1,699	8,418	9,378	19,495	2,052	8,033	9,183	19,268
Telephone	332	1,646	1,834	3,812	425	1,661	1,902	3,988
Travel and meals	205	1,017	1,133	2,355	120	468	535	1,123
Meetings	5,558	-	-	5,558	5,582	-	-	5,582
Young professionals board	194	-	-	194	119	-	-	119
Fees and charges	-	2,972	6,166	9,138	-	3,055	6,103	9,158
Depreciation, excludes \$737 and \$423 allocated to special events for 2019 and 2018	103	512	570	1,185	76	296	338	710
Insurance	270	1,336	1,488	3,094	387	1,514	1,730	3,631
Other	2,792	-	-	2,792	6,166	-	-	6,166
<b>Total</b>	<b>\$ 489,752</b>	<b>\$ 91,368</b>	<b>\$ 97,397</b>	<b>\$ 678,517</b>	<b>\$ 613,289</b>	<b>\$ 84,342</b>	<b>\$ 94,442</b>	<b>\$ 792,073</b>

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

<i>Years Ended December 31,</i>	2019	2018
Cash Flows from Operating Activities		
Change in net assets	\$ (36,101)	\$ (48,652)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	1,922	1,133
Change in operating assets and liabilities:		
Accounts receivable	72,496	(58,446)
Prepaid expenses	7,818	(371)
Accounts payable	10,314	(5,546)
Accrued expenses	16,608	-
Grants payable	(20,000)	80,000
<b>Net cash from operating activities</b>	<b>53,057</b>	<b>(31,882)</b>
Cash Flows from Investing Activities		
Purchase of property and equipment	(1,043)	(1,500)
<b>Net change in cash</b>	<b>52,014</b>	<b>(33,382)</b>
<b>Cash, beginning of year</b>	<b>399,514</b>	<b>432,896</b>
<b>Cash, end of year</b>	<b>\$ 451,528</b>	<b>\$ 399,514</b>

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, 2019 and 2018, the Foundation held \$0 and \$111,557, 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.



# 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** (Continued)

##### **Revenue Recognition**

###### Contributions

Contributions and grants are recognized as revenue when they are received or unconditionally promised. Contributions and grants that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction expires or the purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions and grants are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

###### Special Event Revenue

The Organization records fundraising benefits revenue equal to the fair value of direct benefits provided to donors for the exchange portion, and contribution income for the excess received. The Organization typically receives payment for the event in advance based on a sponsorship level. Fundraising benefit revenue received in advance is recorded as deferred revenue and recognized at the point in time when the event occurs.

##### **Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. 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.

# 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 (Continued)**

##### **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.

##### **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 2017, 2018 and 2019 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, 2019 and 2018 there was no interest or penalties relating to income taxes recognized in the statement of activities.

##### **Change in Accounting Principles**

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The core principle of the guidance in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Foundation adopted this guidance effective January 1, 2019 as it felt it was the most faithful depiction of the timing of revenue reasonably expected to be collected in exchange for goods or services. The Foundation applied Topic 606 on a modified retrospective basis. There was no change to reported revenue, net assets, or the change in net assets for either period presented.

# 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 (Continued)

##### Change in Accounting Principles (Continued)

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958) - Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in ASU No. 2018-08 assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and in determining whether a contribution transaction is conditional. The Foundation adopted this guidance as of January 1, 2019, under a modified prospective basis with no effect on its net assets.

##### Recently Issued Accounting Pronouncement

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, 2021, and are to be applied through a modified retrospective transition approach for leases 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.

#### Note 2: Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

<i>December 31,</i>	2019	2018
Cash	\$ 451,528	\$ 399,514
Accounts receivable - Net	5,950	78,446
 Total financial assets	 457,478	 477,960
 Less: financial assets not available to be used within one year	 -	 111,557
 Total	 \$ 457,478	 \$ 366,403

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.

# Michael Rolfe Pancreatic Cancer Foundation

## d/b/a Rolfe Pancreatic Cancer Foundation

### Notes to Financial Statements

#### Note 3: Net Assets with 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, 2019 and 2018 were \$0 and \$111,557, respectively.

Program	Restricted Purpose	With Donor Restrictions 12/31/2018	2019 Contributions With Donor Restrictions	2019 Releases From Restrictions	With Donor Restrictions 12/31/2019
University of Chicago	Research	\$ 26,234	\$ -	\$ 26,234	\$ -
Sponsorships	Sponsorships	60,323	-	60,323	-
Grants - 2019	Research	25,000	-	25,000	-
<b>Total</b>		<b>\$ 111,557</b>	<b>\$ -</b>	<b>\$ 111,557</b>	<b>\$ -</b>

Program	Restricted Purpose	With Donor Restrictions 12/31/2017	2018 Contributions 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
<b>Total</b>		<b>\$ 80,388</b>	<b>\$ 132,000</b>	<b>\$ 100,831</b>	<b>\$ 111,557</b>

#### 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:

2020	\$ 28,850
2021	4,828
<b>Total</b>	<b>\$ 33,678</b>

During 2019 and 2018, rent expense equaled \$31,619 and \$30,711, respectively, including \$12,124 and \$11,443 allocated to special events.

# Michael Rolfe Pancreatic Cancer Foundation

## d/b/a Rolfe Pancreatic Cancer Foundation

### Notes to Financial Statements

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#### **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, 2019 and 2018, grants were \$414,500 and \$512,914, 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, 2019 and 2018.

#### **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, 2019 and 2018, 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, 2019 and 2018, the uninsured balances totaled \$187,773 and \$167,253 respectively.

#### **Note 9: Subsequent Event**

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus as a "pandemic". First identified in late 2019 and known now as COVID-19, the outbreak has impacted thousands of individuals worldwide. In response, many countries have implemented measures to combat the outbreak which have impacted global business operations. As of the date of issuance of the financial statements, the Company's operations have not been significantly impacted, however, the Company continues to monitor the situation. No impairments were recorded as of the balance sheet date as no triggering events or changes in circumstances had occurred as of year-end; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future. In addition, while the Company's results of operations, cash flows and financial condition could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time.

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

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**Note 9: Subsequent Event** (Continued)

Management has evaluated subsequent events through November 11, 2020 , the date the financial statements were available to be issued.