Reviewed Financial Statements

Walk With Sally

Year Ended December 31, 2018

Contents

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Independent Accountants' Review Report

Board of Directors
Walk With Sally
El Segundo, California

We have reviewed the accompanying financial statements of Walk With Sally (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 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 the 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.

Accountants' 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 (AICPA). 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 for them to be in accordance 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 conclusion.

Accountants' 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.

Raimondo Pettit Group

Torrance, California
May 31, 2019

Walk With Sally

Statement of Financial Position

December 31,		**2018**
Assets		
Current Assets		
Cash	$	200,121
Pledges receivable		30,113
Prepaid expenses		2,900
Total current assets		233,134
Property and equipment, net		22,642
Total assets	$	255,776
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$	10,096
Total liabilities		10,096
Net Assets		
Net assets without donor restrictions		236,285
Net assets with donor restrictions		9,395
Total net assets		245,680
Total liabilities and net assets	$	255,776

Walk With Sally

Statement of Activities

Year Ended December 31, 2018	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenue and Support			
Contributions	$ 216,918	$ -	$ 216,918
Program services	1,089	-	1,089
Special events			
Income	847,962	-	847,962
In-kind contributions	531,442	-	531,442
Direct expenses	(242,325)	-	(242,325)
In-kind expenses	(531,442)	-	(531,442)
Net special event income	605,637	-	605,637
Net assets released from restrictions	5,000	(5,000)	-
Total support	828,644	(5,000)	823,644
Operating Expenses			
Program services	576,948	-	576,948
Support services			
Fundraising	159,670	-	159,670
General & administrative expenses	92,915	-	92,915
Total operating expenses	829,533	-	829,533
Change in net assets	(889)	(5,000)	(5,889)
Net assets at the beginning of year	237,174	14,395	251,569
Net assets at end of year	$ 236,285	$ 9,395	$ 245,680

Walk With Sally

Statement of Functional Expenses

Year Ended December 31,	Program Services	Support Services		2018
Functional Expense	Total Program Services	Fundraising Expenses	General & Administrative Expenses	Total Expenses
Expenses				
Advertising	$ 4,553	$ 3,035	$ -	$ 7,588
Board expenses	-	965	6,000	6,965
Dues and memberships	99	1,075	100	1,274
Depreciation	3,655	528	220	4,403
Website and graphic design	13,984	8,223	6,601	28,808
Insurance	15,784	5,373	5,862	27,019
Meals and entertainment	1,382	1,381	-	2,763
Merchant fees	-	-	23,980	23,980
Moving expenses	3,817	-	1,513	5,330
Office supplies	12,213	750	187	13,150
Other	4,174	1,210	838	6,222
Outside services	26,000	12,000	2,000	40,000
Personnel expenses	326,313	111,751	8,941	447,005
Printing and copying	1,617	318	213	2,148
Professional fees	-	-	32,980	32,980
Program training	91,379	-	-	91,379
Public relations	5,760	3,840	-	9,600
Rent	48,984	7,022	2,948	58,954
Scholarship expense	5,000	-	-	5,000
Telephone and internet	5,367	776	323	6,466
Temporary family support	5,000	-	-	5,000
Travel and meetings	1,867	1,423	209	3,499
Total	**$ 576,948**	**$ 159,670**	**$ 92,915**	**$ 829,533**

Walk With Sally

Statement of Cash Flows

Year Ended December 31,		**2018**
Operating Activities:		
Change in net assets	$	(5,889)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation expense		4,403
Increase (decrease) resulting from changes in:		
Contributions and other receivables		(20,822)
Accounts payable and accrued expenses		174
Net cash used by operating activities		(22,134)
Investing Activities:		
Purchase of property, plant and equipment		(2,975)
Net cash used in investing activities		(2,975)
Net change in cash		(25,109)
Cash, beginning of period		225,230
Cash, end of period	$	200,121

See accompanying notes and Independent Accountants' Review Report.

1. Non-Profit Operations and Summary of Accounting Policies

Nature of Activities

Walk With Sally, (the "Organization"), is a non-profit public benefit 501(c)(3) corporation founded on June 4, 2004. The Organization's mission is to provide hope through our individualized mentoring and community support services to empower children experiencing the trauma of a parent, guardian or sibling's cancer journey.

The Organization is supported primarily through fundraising events and donations from the public. The Organization's costs consist primarily of staff salaries, consultants, office and equipment rental, entertainment, auctions and event materials. The Organization administers the following programs to help achieve its goals:

Mentoring Program – The focus of this program is to match and create one-on-one mentoring relationships ("Friendships") between a child and an adult who have both been impacted by cancer. The child in the "Friendship" is living with, lived with or lost a parent or sibling to cancer. The adult in the "Friendship" lived with or lost a parent/sibling to cancer in their lifetime or is a cancer survivor. The mentor and mentee commit to the Friendship for a minimum of 1 year, spending 6-8 hours together each month. As of December 31, 2018, the Organization managed a caseload of 109 children matched with their individual mentors.

Friendship Activity Program – This program is a quarterly experiential and educational day-long event for all the mentoring friendships, their families, prospective families and mentors. An average of 82 participants attended six different friendship activities through-out the year.

Heart to Home – This program is a quarterly group art activity designed to help provide mentees safe avenues for self-expression, increase coping skills and address the impact of cancer on the youth.

Hope for the Holidays – This program provides families in the mentoring program with support and assistance during the holiday season.

Molly's Corner – This program is designed to bring hope and healing through the use of books and journaling for family and children.

Junior Mentor Program – The Junior Mentor Program is designed to engage older mentees on a deeper level while giving them a leadership role within the Walk With Sally Mentoring Program.

Fred's Future Young Leaders Scholarship – This scholarship financially contributes to the Organization's mentees secondary education.

Temporary Family Support Program – This program provides financial assistance and resources to Walk With Sally families experiencing hardship.

1. Non-Profit Operations and Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Recently Adopted Accounting Pronouncements

Presentation of Financial Statements of Not-for-Profit Entities: In August 2016, the FASB issued Accounting Standard Update ("ASU") 2016-14, Not-for-Profit Entities (Topic 985): *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU simplifies the presentation of net assets into two classes of net assets at the end of the period: net assets with donor restrictions and net assets without donor restrictions, rather than the currently required three classes.

In addition, the requirement of preparing the indirect method reconciliation if the direct method of operating cash flows is chosen has been removed. The ASU also requires reporting of investment return net of external and direct internal investment expenses and no longer require disclosure of those netted expenses.

Additional provisions related to the disclosures and financial statement presentation are included in the ASU. Non-profit organizations that previously were required to present a statement of functional expenses do not have the option to omit this analysis; however, they may present the comparative period information in any of the formats permitted in this ASU, consistent with the presentation in the period of adoption. The ASU also requires new disclosures about liquidity and availability of resources. The ASU is effective for fiscal years beginning after December 15, 2017. The Organization adopted the ASU in the current year and there is no material impact on the Organization's financial position or operations, but the ASU has an impact on the presentation of the financial statements.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the organization and changes therein are classified and reported as follows:

> *Net assets without donor restrictions* – Net assets that are not subject to any donor-imposed stipulations.

> *Net assets with donor restrictions* – Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Organization, the passage of time, or other legal restrictions requiring that the principal be maintained permanently by the Organization. As of December 31, 2018, the Organization had net assets with donor restrictions equal to $9,395 to be used for scholarships.

1. Non-Profit Operations and Summary of Significant Accounting Policies (Continued)

Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of December 31, 2018, reduced by amounts not available for general use because of donor-imposed restrictions within one year of December 31, 2018.

Year Ending December 31,	*2018*
Cash	$ 200,121
Pledges receivable	30,113
Total financial assets, at year end	230,234
Less assets unavailable for general expenditures within one year due to satisfaction of donor restrictions	(9,395)
Financial assets available to meet cash needs for general expenditures within one year	$ 220,839

The Organization is substantially supported by unrestricted contributions and occasionally by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities. The pledges receivable are subject to implied time restrictions but are expected to be collected within one year. The Organization has a goal to maintain financial assets on hand to meet at least 90 days of normal operating expenses, which are, on average, approximately $207,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Management's Estimates

The preparation of financial statements in conformity with U.S. 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

1. Non-Profit Operations and Summary of Significant Accounting Policies (Continued)

Pledges Receivable

The Organization records accounts receivable for unpaid grants awarded and promises to give (contributions).

The Organization reviews accounts receivable on a regular basis to determine delinquent or past due items. A reserve is established if significant uncertainty exists as to the collectability and the amount is written off if it is determined that the amount will not be collected. All receivables were collected subsequent to December 31, 2018.

Property, Plant and Equipment

Property and equipment are stated at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Depreciation is provided for by using the straight-line method over the estimated useful lives of the respective assets, which are office furniture, computer equipment and leasehold improvements depreciated over 3-10 years.

Repair and maintenance charges are expensed as incurred.

Significant improvements which materially increase values or extend the useful lives of the assets are capitalized and depreciated over the estimated useful lives of the respective assets.

Fair Value Measurements

The Organization has adopted authoritative guidance surrounding fair value measurements as it relates to financial and nonfinancial assets and liabilities. The guidance defines fair value as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Additionally, the guidance also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Authoritative guidance also provides the Organization the option to elect to measure eligible financial instruments at fair value on an instrument-by-instrument basis. At December 31, 2018, the Organization did not elect to measure any financial instruments at fair value. The carrying amounts reported on the statement of financial position for cash, and accrued expenses approximate fair value based on the short-term maturity of these instruments.

1. Non-Profit Operations and Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Contributions and Unconditional Promises to Give

The Organization records contributions and unconditional promises to give, as revenues when received or when a promise is made. Conditional promises to give are recognized as revenue when the conditions on which they depend have been substantially met. Contributions and promises to give receivable are recorded net of estimated uncollectible amounts which are determined based on management's analysis of specific contributions and promises made. Multi-year promises to give are not discounted if the amount of discount is not material.

The Organization reports donations of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. Revenues are reported as increases in net assets either with or without donor restrictions, depending on the existence or non-existence of donor imposed restrictions. 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 restrictions and reported in the statement of activities as net assets released from restrictions.

When both restricted and unrestricted resources are available for use for the same purpose, it is the Organization's policy to use restricted resources first, then unrestricted resources as they are needed. Revenues with donor restrictions that are released from restrictions within the same fiscal year are shown as revenues without donor restrictions.

Contributed Services and In-Kind Contributions

Volunteers make contributions of their time to the Organization's programs and supporting services on a regular basis. Many individuals volunteer their time as part of the Mentor Program and perform a variety of tasks that assist the Organization at the events, however, these services do not meet the criteria for recognition as contributed services described above. The Organization received approximately 13,923 volunteer hours from approximately 431 volunteers during the year-ended December 31, 2018.

The Organization receives in-kind contributions for special event and program expenses, such as food and beverages. The Organization records the revenue and the related expenses based on the fair market value of the good received as indicated by the donors.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. For the year ended December 31, 2018, the Organization has determined that no income taxes are due for its activities. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

1. Non-Profit Operations and Summary of Significant Accounting Policies (Continued)

Income Taxes (continued)

Accounting standards require that a tax position be recognized or derecognized based on a 'more-likely than-not' threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include (or reflect) any uncertain tax positions. The Organization's tax returns are subject to examination by Federal taxing authorities for a period of three years from the date they are filed and a period of four years for California taxing authorities.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and services benefited based on management's estimates.

Concentration of Risk

The Organization is primarily supported by fundraising events. During the year ended December 31, 2018, the White Light White Night fundraising event provided 61% of the Organization's total support. Accounts receivable for contribution revenues due from three donors represented approximately 68% of pledges receivable at December 31, 2018.

From time to time, the Organization may have cash and cash equivalent balances that exceed federally insured limits (unlimited coverage for non-interest bearing accounts and $250,000 per depositor, per insured bank for all other accounts). A failure of any banking institution in which the Organization has funds on deposit may result in a loss of deposits of amounts in excess of the then federally insured limit. Management believes that the financial institutions that hold the Organization's deposits are financially sound and therefore poses minimal credit risk.

Recent Accounting Pronouncements

Revenue from Contracts with Customers: In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU introduced a comprehensive, principles-based framework for recognizing revenue, and, when effective, will supersede the requirements in FASB ASC 605 and virtually all industry-specific revenue recognition guidance in the FASB ASC. However, the standards for the recognition of revenue from contributions by nonprofit organizations will be retained in FASB ASC 958-605, which will be retitled Not-for-Profit Entities—Revenue Recognition—Contributions when ASU 2014-09 is effective.

1. Non-Profit Operations and Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements (Continued)

In August 2015, the original effective dates of ASU 2014-09 were deferred by one year through the issuance of ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date. For most nonprofit organizations, ASU 2014-09 (as revised) is effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. Early application is allowed, but no earlier than annual reporting periods beginning after December 15, 2016, including interim reporting periods within that period. Alternatively, the ASU can be applied to annual reporting periods beginning after December 15, 2016, and interim reporting periods within annual reporting periods beginning one year after the year of initial adoption. The comprehensive new standard will supersede existing revenue recognition guidance and provides a single principles-based, five-step model to be applied to all contracts with customers.

The five steps are to identify the contract(s) with the customer, to identify the performance obligations in the contract, to determine the transaction price, to allocate the transaction price to the performance obligations in the contract and to recognize revenue when each performance obligation is satisfied. Revenue will be recognized when promised goods or services are transferred to the customer in an amount that reflects the consideration expected in exchange for those goods or services.

Accounting for Leases: In February 2016, the FASB issued an Accounting Standards Update to increase transparency and comparability among entities by recognizing lease assets and liabilities on the balance sheet and disclosing key information about leasing arrangements. This new standard is effective for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020, with early application permitted. Under the new guidance, lessees will be required to recognize for all leases (with the exception of short-term leases) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The guidance requires modified retrospective application of the new standard, and the Organization is currently evaluating the impacts of adoption.

Revenue Recognition for Contributions: In June 2018, 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 ASU will assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions), or as exchange (reciprocal transaction) subject to other guidance and (2) determining whether a contribution is conditional. The ASU is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. Walk with Sally is currently evaluating the impacts of adoption.

The Organization's management has reviewed other recent accounting pronouncements issued through the date of the issuance of the financial statements. In management's opinion, none of these new pronouncements apply or will have a material effect on the Company's financial statements.

2. Property and Equipment

Property and equipment consists of the following:

December 31,		*2018*
Computer equipment	$	12,259
Furniture and Fixtures		4,028
Leasehold Improvements		14,686
		30,973
Less: accumulated depreciation		(8,331)
	$	22,642

Depreciation expense amounted to $4,403 for the year ended December 31, 2018.

3. Leases

Operating Leases

The Organization leases office facilities in El Segundo, California, for a term ending March 31, 2022. The lease agreement requires total monthly payments of $5,024 plus taxes and common area maintenance fees.

Total rental expense approximated $60,000 during the year ended December 31, 2018, (including taxes, common area maintenance charges, and rental of a storage unit). Future minimum lease payments are as follows:

Years Ending December 31,		
2019	$	56,473
2020		58,168
2021		59,913
2022		16,471
	$	191,025

4. Subsequent Events

The management of the Organization has reviewed the results of operations and evaluated subsequent events for the period of time from its year ended December 31, 2018, through May 31, 2019, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor are there any other subsequent events required to be disclosed in these financial statements.