

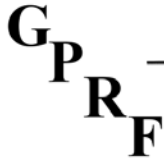
**All Out Action Fund, Inc.
(Formerly Purpose Action, Inc.)**

Financial Report

December 31, 2017

TABLE OF CONTENTS

Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-13



GRUBER PALUMBERI RAFFAELE FRIED, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
SEVEN PENN PLAZA, NEW YORK, NY 10001
TELEPHONE: (212) 532-8261, (212) 586-0800
FAX: (212) 532-9707

Independent Auditor's Report

To the Board of Directors of
All Out Action Fund, Inc.

We have audited the accompanying financial statements of All Out Action Fund, Inc. ("All Out"), formerly Purpose Action, Inc., a non-profit organization, which comprise the statements of financial position as of December 31, 2017 and 2016, and related statements of activities, 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.

Auditors' 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 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 auditors' 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.

THE FIRM OF LORENTZ AND GRUBER SINCE 1945

MEMBERS NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS AND AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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

Opinion

In our opinion, the 2017 financial statements referred to above present fairly, in all material respects, the financial position of All Out Action Fund, Inc. as of December 31, 2017, and the changes in its net assets, its functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Gruber Palumbo Raffaele Fred, P.C.

New York, NY
April 30, 2018

THE FIRM OF LORENTZ AND GRUBER SINCE 1945

MEMBERS NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS AND AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

ALL OUT ACTION FUND, INC.
Statements of Financial Position
As of December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents (Note 2)	\$ 246,751	\$ 290,971
Accounts receivables	-	4,713
Due from fiscal sponsorship (Note 2)	331,319	214,501
Prepaid expenses and miscellaneous receivables	17,292	4,894
Other assets, net (Notes 2 and 4)	3,364	10,607
Security deposit	-	1,715
Total assets	<u>\$ 598,726</u>	<u>\$ 527,401</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 21,815	\$ 24,868
Due to related party (Note 5)	<u>98,760</u>	<u>98,760</u>
Total liabilities	<u>\$ 120,575</u>	<u>\$ 123,628</u>
NET ASSETS (Notes 2 and 6)		
Unrestricted	115,081	180,641
Temporarily restricted	<u>363,070</u>	<u>223,132</u>
Total net assets	<u>478,151</u>	<u>403,773</u>
Total liabilities and net assets	<u>\$ 598,726</u>	<u>\$ 527,401</u>

The accompanying notes are an integral part of these financial statements.

ALL OUT ACTION FUND, INC.
Statements of Activities
For the Years Ended December 31, 2017 and 2016

	Temporarily		2017	Temporarily		2016
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
REVENUES AND SUPPORT						
Grants and contributions (Note 2)	\$ 1,088,584	\$ 599,265	\$ 1,687,849	\$ 1,016,842	\$ 175,000	\$ 1,191,842
In-kind contributions (Notes 2 and 7)	192,148	-	192,148	150,122	-	150,122
Foreign exchange gains (losses), net	(4,828)	-	(4,828)	(2,575)	-	(2,575)
Foreign currency translation adjustments	5,254	-	5,254	5,681	-	5,681
Interest income	10	-	10	39	-	39
Miscellaneous income	-	-	-	-	-	-
	<u>1,281,168</u>	<u>599,265</u>	<u>1,880,433</u>	<u>1,170,109</u>	<u>175,000</u>	<u>1,345,109</u>
Net assets released from restrictions:						
Satisfaction of time restrictions	-	-	-	342,105	(342,105)	-
Satisfaction of program restrictions	<u>459,327</u>	<u>(459,327)</u>	<u>-</u>	<u>276,653</u>	<u>(276,653)</u>	<u>-</u>
Total revenues and support	<u>1,740,495</u>	<u>139,938</u>	<u>1,880,433</u>	<u>1,788,867</u>	<u>(443,758)</u>	<u>1,345,109</u>
EXPENSES						
Program services	1,548,864	-	1,548,864	1,268,415	-	1,268,415
Supporting services:						
Management and general	122,282	-	122,282	130,099	-	130,099
Fundraising	<u>134,909</u>	<u>-</u>	<u>134,909</u>	<u>133,848</u>	<u>-</u>	<u>133,848</u>
Total expenses	<u>1,806,055</u>	<u>-</u>	<u>1,806,055</u>	<u>1,532,362</u>	<u>-</u>	<u>1,532,362</u>
Change in net assets (Note 6)	(65,560)	139,938	74,378	256,505	(443,758)	(187,253)
Net assets, beginning of the year	<u>180,641</u>	<u>223,132</u>	<u>403,773</u>	<u>(75,864)</u>	<u>666,890</u>	<u>591,026</u>
Net assets, end of year	<u>\$ 115,081</u>	<u>\$ 363,070</u>	<u>\$ 478,151</u>	<u>\$ 180,641</u>	<u>\$ 223,132</u>	<u>\$ 403,773</u>

The accompanying notes are an integral part of these financial statements.

ALL OUT ACTION FUND, INC.
Statements of Functional Expenses
For the Years Ended December 31, 2017 and 2016

	Supporting Services			2017 Total	Supporting Services			2016 Total
	Program	Management and General	Fundraising		Program	Management and General	Fundraising	
Salaries	\$ 293,019	\$ 46,595	\$ 89,650	429,264	\$ 256,744	\$ 47,905	\$ 82,591	\$ 387,240
Payroll taxes and fringe benefits	84,570	15,671	13,271	113,512	51,441	17,642	14,607	83,690
Total salaries and related expenses	<u>377,589</u>	<u>62,266</u>	<u>102,921</u>	<u>542,776</u>	<u>308,185</u>	<u>65,547</u>	<u>97,198</u>	<u>470,930</u>
Other expenses:								
Campaign expenses and materials and grants to other organizations	327,302	-	2,673	329,975	153,778	-	4,614	158,392
Campaigner fees	226,377	984	13,042	240,403	212,956	984	8,534	222,474
Website development and maintenance	208,042	-	116	208,158	198,636	618	348	199,602
Professional fees (Notes 7)	161,045	27,337	-	188,382	141,059	37,893	-	178,952
Membership marketing/supporter engagement	72,866	-	10,341	83,207	114,033	-	4,544	118,577
Sponsorship, filing and processing fees	79,012	125	-	79,137	51,006	-	8,729	59,735
Travel and meetings	60,258	805	5,374	66,437	37,827	18,331	8,747	64,905
Occupancy (Notes 5 and 7)	4,597	28,800	77	33,474	25,808	1,790	437	28,035
Consultants and outside services	20,501	-	-	20,501	8,464	-	-	8,464
Office expenses and miscellaneous	3,497	169	365	4,031	5,059	1,246	697	7,002
Insurance	-	1,796	-	1,796	-	3,640	-	3,640
Recruitment	535	-	-	535	514	50	-	564
Total other expenses	<u>1,164,032</u>	<u>60,016</u>	<u>31,988</u>	<u>1,256,036</u>	<u>949,140</u>	<u>64,552</u>	<u>36,650</u>	<u>1,050,342</u>
Total expenses before depreciation and amortization	1,541,621	122,282	134,909	1,798,812	1,257,325	130,099	133,848	1,521,272
Depreciation and amortization	7,243	-	-	7,243	11,090	-	-	11,090
Total expenses	<u>\$ 1,548,864</u>	<u>\$ 122,282</u>	<u>\$ 134,909</u>	<u>\$ 1,806,055</u>	<u>\$ 1,268,415</u>	<u>\$ 130,099</u>	<u>\$ 133,848</u>	<u>\$ 1,532,362</u>

The accompanying notes are an integral part of these financial statements.

ALL OUT ACTION FUND, INC.
Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ 69,124	\$ (192,934)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization expenses	7,243	11,090
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	4,713	(4,713)
Decrease in grants and contributions receivable	-	110,000
(Increase) in due from fiscal sponsorship	(116,818)	(23,105)
(Increase) decrease in prepaid expenses	(12,398)	5,920
Decrease (increase) in security deposits	1,715	(1,309)
(Decrease) in accounts payable and accrued expenses	<u>(3,053)</u>	<u>(1,727)</u>
Net cash (used in) provided by operating activities	<u>(49,474)</u>	<u>(96,778)</u>
Net (decrease) in cash and cash equivalents	(49,474)	(96,778)
Effect of exchange rate changes on cash and cash equivalents	5,254	5,681
Cash and cash equivalents, beginning of year	<u>290,971</u>	<u>382,068</u>
Cash and cash equivalents, end of year	<u>\$ 246,751</u>	<u>\$ 290,971</u>

The accompanying notes are an integral part of these financial statements.

ALL OUT ACTION FUND, INC.
Notes to Financial Statements
December 31, 2017 and 2016

1. ORGANIZATION

All Out Action Fund, Inc. ("All Out"), formerly Purpose Action, Inc., a non-profit corporation, was incorporated in the State of New York on May 24, 2011 and began operations in 2012. All Out was formed for the purposes of uniting and coordinating the efforts of individuals in order to raise public awareness, promote activism, and develop and advocate for legislation, regulations, and government programs to combat prejudice and discrimination against members of the gay, lesbian, bisexual and transgender community.

All Out's name change became effective in the State of New York as of October 2014.

For Federal income tax purposes, All Out is classified as a 501(c)(4) organization and is exempt under Section 509(a)(1) of the Internal Revenue Code and a similar provision of the New York State income tax laws.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of All Out have been prepared on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America. The significant accounting policies are described below.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in Accounting Standards Codification ("ASC") 958, Financial Statements of Not-for-Profit Organizations. Under ASC 958, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted net assets.

Unrestricted

Unrestricted net assets are net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations and are available for the general operations of All Out.

Temporarily Restricted

Temporarily restricted net assets include gifts of cash and other assets received with donor-imposed stipulations that will be met either by actions of All Out and/or the passage of time.

Contributions with donor-imposed restrictions are reported as increases in temporarily restricted net assets and are reclassified to unrestricted net assets when purpose or time restrictions are met, and recorded in the accompanying financial statements as net

ALL OUT ACTION FUND, INC.
Notes to Financial Statements
December 31, 2017 and 2016

assets released from restrictions. Restricted contributions are recognized as unrestricted when their restrictions are met within the year.

Permanently Restricted

Permanently restricted net assets include funds that have been restricted by donors to be held in perpetuity. All Out had no permanently restricted net assets as of December 31, 2017 and 2016.

Cash and Cash Equivalents

All Out considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Foreign Currency Translation Adjustments

All Out maintains several PayPal accounts in foreign currencies. The translation of the foreign currencies into U.S. dollar is performed at the statement of financial position date using current exchange rates. The resulting gains or losses from foreign currency translation adjustments are included in the statement of activities.

Fiscal Sponsorship

In 2015, the Tides Foundation became the fiscal sponsor for All Out. Donor and grantors make contributions to the Tides Foundation based upon a particular project of All Out or for All Out Core Support. All Out recorded the revenues and expenses of each gift in accordance with Tides Foundation agreement and generally accepted accounting principles on an accrual basis.

In the years ended December 31, 2017 and 2016, approximately 31% and 39% of grants and contributions revenues were related to Tides Foundation sponsorship, respectively.

Grants and Contributions

All Out records contributions and grants, both cash and in-kind, when an unconditional promise to give such assets is received from a donor. Contributions and grants are recorded at the fair market value of the assets received and are classified as either unrestricted, temporarily restricted, or permanently restricted, depending on whether the donor has imposed a restriction on the use of such assets.

As of December 2017 and 2016, contributions and grants receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using a risk-free interest rate determined in the year in which the contribution originates. Amortization of the discount is included in contribution

ALL OUT ACTION FUND, INC.
Notes to Financial Statements
December 31, 2017 and 2016

revenue. All Out received no multiyear promises to give during the years ended December 31, 2017 and 2016.

All Out periodically evaluates the balances in the various accounts receivable categories as well as the status of any significant past due accounts to determine if any balances are uncollectible. When management determines that a receivable is uncollectible, the balance is removed from the receivables balance and is charged directly against operations. Subsequent recoveries of amounts previously written off are credited directly to revenue.

In-kind Contributions

In-kind contributions are recognized as if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization.

Property and Equipment

All Out capitalizes property and equipment with a cost or fair value exceeding \$2,000 and a useful life of more than two years. Depreciation of property and equipment is provided on the straight-line method over the expected useful lives of the assets as follows:

Property and equipment	3-5 years
------------------------	-----------

Functional Expense Allocations

The costs of providing the various programs and other activities of All Out have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services. Such allocations are determined by management in accordance with grant provisions and/or other equitable bases.

Income Taxes

All Out has adopted Accounting Standards Codification (“ASC”) 740 “Income Taxes.” ASC 740 requires 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 adoption of this guidance did not have an impact on All Out’s financial statements, as management believes that there are no uncertain tax positions within its financial statements. All Out has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; determine its filing and tax obligations in jurisdictions for which it has nexus; and to review other matters that may be considered tax positions.

ALL OUT ACTION FUND, INC.
Notes to Financial Statements
December 31, 2017 and 2016

All Out's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ended December 31, 2014, 2015, and 2016 are subject to examination by the IRS, generally for three years after they were filed.

Concentrations of Credit Risk

Financial instruments that potentially subject All Out to concentrations of credit risk consist primarily of cash and cash equivalents. All Out maintains cash and cash equivalent balances in various bank accounts that, at times, may exceed federally insured limits. As of December 31, 2017 and 2016, All Out's cash and cash equivalents balances did not exceed federally insured limited. All Out's cash accounts are placed with high credit quality financial institutions. The organization has not experienced, nor does it anticipate, any losses in such accounts.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

3. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable at December 31, 2017 and 2016 consisted of current promises to give which are collectible within one year.

4. OTHER ASSETS

Other assets include All Out's trademark website, domain name, and e-mail list, net of accumulated amortization. The balance consisted of the following as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Cost	\$ 158,485	\$ 158,485
Less: Accumulated amortization	<u>(155,121)</u>	<u>(147,878)</u>
	<u>\$ 3,364</u>	<u>\$ 10,607</u>

Amortization expense for the years ended December 31, 2017 and 2016 was \$7,243 and \$11,090, respectively.

ALL OUT ACTION FUND, INC.
Notes to Financial Statements
December 31, 2017 and 2016

5. RELATED PARTIES

- I. All Out is related to a not-for-profit entity, Purpose Foundation, (the "Foundation") a 501(c)(3) corporation. The organizations are related in that there was a commonality of one board member, but no controlling interest. The common member left All Out's board in 2017. On January 27, 2015, All Out borrowed funds from Purpose Foundation in the amount of \$98,760, expected to be paid back by December 31, 2018.
- II. All Out is related to Purpose Global PBC, a public benefit corporation. The PBC is owned by a board member of All Out who left All Out's board in 2017. All Out entered into a license agreement with the PBC for office space which ended in January 2015. Commencing in February 2015, the Purpose Global PBC donated the same rental space to All Out under an informal month to month agreement. Rent expenses for the year ended December 31, 2017 and 2016 were follows:

	<u>2017</u>	<u>2016</u>
Donated rent	28,800	21,600
Total	<u>\$ 28,800</u>	<u>\$ 21,600</u>

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available to satisfy the following restrictions at December 31, 2017:

	<u>December 31,</u> <u>2016</u>	<u>Contributions</u>	<u>Net assets</u> <u>relased from</u> <u>restrictions</u>	<u>December 31,</u> <u>2017</u>
Program restricted	<u>223,132</u>	<u>599,265</u>	<u>(459,327)</u>	<u>363,070</u>
Total	<u>\$ 223,132</u>	<u>\$ 599,265</u>	<u>\$ (459,327)</u>	<u>\$ 363,070</u>

ALL OUT ACTION FUND, INC.
Notes to Financial Statements
December 31, 2017 and 2016

Temporarily restricted net assets are available to satisfy the following restrictions at December 31, 2016:

	December 31, 2015	Contributions	Net assets relaxed from restrictions	December 31, 2016
Program restricted	324,785	175,000	(276,653)	223,132
Time restricted	<u>342,105</u>	<u>-</u>	<u>(342,105)</u>	<u>-</u>
Total	<u>\$ 666,890</u>	<u>\$ 175,000</u>	<u>\$ (618,758)</u>	<u>\$ 223,132</u>

7. IN-KIND CONTRIBUTIONS

All Out received the following in-kind rent and services for the years ended December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Rent	\$ 28,800	\$ 21,600
Consultant fees	16,346	-
Legal fees	<u>147,002</u>	<u>128,522</u>
Total	<u>\$ 192,148</u>	<u>\$ 150,122</u>

8. NEW ACCOUNTING PRONOUNCEMENTS

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU, which becomes effective for the December 31, 2018 year, which early implementation permitted, focuses on improving the current net asset classification requirements and information presented in the financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows.

In addition, FASB issued ASU No.2016-02, Leases. The ASU which becomes effective for the December 31, 2020 fiscal year, requires the full obligation of long term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

Management is evaluating the impact of these standards on future financial statements.

ALL OUT ACTION FUND, INC.
Notes to Financial Statements
December 31, 2017 and 2016

9. SUBSEQUENT EVENTS

All Out evaluated its December 31, 2017 financial statements for subsequent events through April 30, 2018, the date the financial statements were available to be issued. All Out is not aware of any subsequent events which would require recognition or disclosure in the financial statements.