

IMPACT PLAYER PARTNERS, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

INDEX

INDEPENDENT AUDITOR'S REPORT	1
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS OF CASH FLOWS	4
STATEMENT OF FUNCTIONAL EXPENSES--2009	5
STATEMENT OF FUNCTIONAL EXPENSES--2008	6
NOTES TO THE FINANCIAL STATEMENTS	7

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Impact Player Partners, Inc.

We have audited the accompanying statements of financial position of Impact Player Partners, Inc. as of December 31, 2009 and 2008 and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based upon our audits.

Our audits were conducted in accordance with U.S. generally accepted auditing standards. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Impact Player Partners, Inc. as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

March 31, 2010



Certified Public Accountant

IMPACT PLAYER PARTNERS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2009 AND 2008

ASSETS

	<u>2009</u>	<u>2008</u>
Cash--unrestricted	\$ 120,244	\$ 137,327
Cash--temporarily restricted	----	10,000
Accounts receivable	13,013	2,850
Deposits	<u>2,510</u>	<u>2,510</u>
<u>TOTAL ASSETS</u>	<u>\$ 135,767</u>	<u>\$ 152,687</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 54,694	\$ ----
Accrued payroll taxes	<u>2,890</u>	<u>3,151</u>
Total Liabilities	<u>57,584</u>	<u>3,151</u>

NET ASSETS

Unrestricted	78,183	139,536
Temporarily restricted	<u>----</u>	<u>10,000</u>
Total Net Assets	<u>78,183</u>	<u>149,536</u>

<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 135,767</u>	<u>\$ 152,687</u>
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The accompanying notes are an integral part of these financial statements.

IMPACT PLAYER PARTNERS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES						
Contributions	\$ 255,127	\$ ----	\$ 255,127	\$ 82,011	\$ ----	\$ 82,011
Special events (Note 6)	759,737	----	759,737	839,708	10,000	849,708
In-Kind contributions	117,692	----	117,692	140,208	----	140,208
Interest income	1,274	----	1,274	3,703	----	3,703
Released from restrictions	10,000	(10,000)	----	30,000	(30,000)	----
Total Revenues	<u>1,143,830</u>	<u>(10,000)</u>	<u>1,133,830</u>	<u>1,095,630</u>	<u>(20,000)</u>	<u>1,075,630</u>
Expenses						
Programs	526,464	----	526,464	575,067	----	575,067
General and administrative	58,212	----	58,212	59,439	----	59,439
Fundraising	620,507	----	620,507	372,337	----	372,337
Total Expenses	<u>1,205,183</u>	<u>----</u>	<u>1,205,183</u>	<u>1,006,843</u>	<u>----</u>	<u>1,006,843</u>
Change In Net Assets	(61,353)	(10,000)	(71,353)	88,787	(20,000)	68,787
Net Assets--Beginning	<u>139,536</u>	<u>10,000</u>	<u>149,536</u>	<u>50,749</u>	<u>30,000</u>	<u>80,749</u>
Net Assets--Ending	<u>\$ 78,183</u>	<u>\$ ----</u>	<u>\$ 78,183</u>	<u>\$ 139,536</u>	<u>\$ 10,000</u>	<u>\$ 149,536</u>

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

IMPACT PLAYER PARTNERS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>OPERATING ACTIVITIES</u>		
Change in net assets	\$ (71,353)	\$ 68,787
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Increase in accounts receivable	(10,163)	(2,850)
Increase(decrease) in accounts payable	54,694	(28,583)
(Decrease)increase in accrued payroll taxes	(261)	<u>576</u>
Net (decrease) increase in cash	(27,083)	37,930
<u>CASH-BEGINNING OF YEAR</u>	<u>147,327</u>	<u>109,397</u>
<u>CASH-END OF YEAR</u>	<u>\$ 120,244</u>	<u>\$ 147,327</u>

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

IMPACT PLAYER PARTNERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>EMOTIONAL SUPPORT</u>	<u>FINANCIAL SUPPORT</u>	<u>TOTAL PROGRAM</u>	<u>GENERAL & ADMINISTRATIVE</u>	<u>FUND RAISING</u>	<u>TOTAL EXPENSES</u>
Wages	\$ 33,400	\$ ----	\$ 33,400	\$ 29,225	\$ 20,875	\$ 83,500
Payroll taxes	3,186	----	3,186	2,788	1,991	7,965
Employee benefits	3,897	----	3,897	3,409	2,435	9,741
Travel	24,126	----	24,126	1,508	4,523	30,157
Bank and credit card fees	----	----	----	399	----	399
BAMC Show/Christmas	1,499	----	1,499	----	----	1,499
Grants	----	406,134	406,134	----	----	406,134
Hero assistance	24,249	----	24,249	----	----	24,249
Advertising	----	----	----	3,309	3,309	6,618
Insurance	----	----	----	1,879	----	1,879
Printing	----	----	----	----	60,495	60,495
Telephone	931	----	931	931	----	1,862
Office	----	----	----	4,315	----	4,315
Professional fees	----	----	----	7,265	27,740	35,005
Postage and shipping	----	----	----	738	47,301	48,039
Special events (Note 6)	----	----	----	----	306,998	306,998
Contributed travel and other (Note 3)	29,042	----	29,042	1,312	87,338	117,692
Other expenses	----	----	----	<u>1,134</u>	<u>57,502</u>	<u>58,636</u>
Total Expenses	<u>\$ 120,330</u>	<u>\$ 406,134</u>	<u>\$ 526,464</u>	<u>\$ 58,212</u>	<u>\$ 620,507</u>	<u>\$ 1,205,183</u>

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

IMPACT PLAYER PARTNERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>EMOTIONAL SUPPORT</u>	<u>FINANCIAL SUPPORT</u>	<u>TOTAL PROGRAM</u>	<u>GENERAL & ADMINISTRATIVE</u>	<u>FUND RAISING</u>	<u>TOTAL EXPENSES</u>
Wages	\$ 33,600	\$ ----	\$ 33,600	\$ 29,400	\$ 21,000	\$ 84,000
Payroll taxes	2,887	----	2,887	2,526	1,805	7,218
Employee benefits	3,897	----	3,897	3,409	2,435	9,741
Travel	6,233	----	6,233	390	1,168	7,791
Bank & credit card fees	----	----	----	929	----	929
BAMC Show/Christmas	10,252	----	10,252	----	----	10,252
Grants	----	398,066	398,066	----	----	398,066
Hero assistance	26,136	----	26,136	----	----	26,136
Insurance	----	----	----	1,879	----	1,879
Printing and copying	----	----	----	3,068	----	3,068
Telephone	832	----	832	832	----	1,664
Office	----	----	----	7,733	----	7,733
Professional fees	----	----	----	7,095	----	7,095
Postage and shipping	----	----	----	1,034	----	1,034
Wristband expenses	----	----	----	----	648	648
Special events (Note 6)	----	----	----	----	298,781	298,781
Contributed travel and other (Note 3)	93,164	----	93,164	1,144	45,900	140,208
Other expenses	----	----	----	----	600	600
Total Expenses	<u>\$ 177,001</u>	<u>\$ 398,066</u>	<u>\$ 575,067</u>	<u>\$ 59,439</u>	<u>\$ 372,337</u>	<u>\$ 1,006,843</u>

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

IMPACT PLAYER PARTNERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 1--THE ORGANIZATION

Impact Player Partners, Inc. (the Organization) is a not-for-profit organization headquartered in Cincinnati, Ohio consisting of business leaders, athletes, entertainers and sports franchises dedicated to providing continuous emotional, career and financial support to American military personnel who are severely injured or disabled as a result of service to all Americans in the War on Terror. The Organization is dependent upon contributions from the general public and fund raising events for its support.

NOTE 2--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed in preparation of the financial statements. These policies conform to U.S. generally accepted accounting principles for not-for profit organizations.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence of any donor restrictions. Support that is restricted by the donor, including pledges, is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When the stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Temporarily restricted net assets

The Organization has elected to show restricted contributions whose restrictions are met in the same reporting period as when given as unrestricted support.

Income Taxes

The Organization is a not-for profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is, therefore, not subject to federal income tax. The Organization qualifies for deductible contributions as provided in IRC Section 170(b)(1)(A)(vi) and has not been classified as a private foundation within the meaning of IRC Section 509(a).

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.

IMPACT PLAYER PARTNERS, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2009 AND 2008

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Functional Allocation of Expenses

The cost of programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, management has made certain allocations of expenses among program, administrative and fund raising expenses according to their judgment of the categories benefitted.

Contributed Services

Contributed services are recorded as support only if they create or enhance nonfinancial assets or require specialized services. Contributed services in the amount of \$293 were recorded in 2008 in the accompanying financial statements. None were recorded in 2009. Additionally, many individuals volunteer their time and perform a variety of tasks that assist the Organization in the accomplishment of its programs. The value of the hours donated by these volunteers have not been recorded in these financial statements as these services do not meet the criteria for recognition as contributed services.

NOTE 3--NON-CASH CONTRIBUTIONS

The Organization received non-cash contributions to support its activities with the following estimated values:

	<u>2009</u>	<u>2008</u>
Airline tickets, lodging and meals	\$ 29,042	\$ 93,164
Postage	1,312	851
Printing	20,000	21,500
Accounting services	----	293
Advertising	22,906	12,000
Special event expenses	<u>44,432</u>	<u>12,400</u>
Totals	<u>\$ 117,692</u>	<u>\$ 140,208</u>

NOTE 4--STATEMENT OF CASH FLOWS--SUPPLEMENTAL INFORMATION

No income or excise taxes were paid for the years ended December 31, 2009 and 2008. Additionally, no interest was paid for the years ended December 31, 2009 and 2008.

IMPACT PLAYER PARTNERS, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2009 AND 2008

NOTE 5--TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2008 consisted of contributions designated to be used for the Impact A Hero Weekend event for the subsequent fiscal year. There were no temporarily restricted assets at December 31, 2009.

NOTE 6--FUNDRAISING--SPECIAL EVENTS

The Organization's main fundraiser is called Impact A Hero Weekend. The Impact A Hero Weekend is a three day event where severely wounded military heroes home from Iraq and Afghanistan are brought to Sugar Land, Texas and honored by ordinary citizens, the City of Sugar Land, celebrities, the Houston Astros (and those attending the game) and leaders from the Greater Houston Area. The Impact A Hero Weekend entails a 5K Walk, Run & Wheel, a Celebrity Gala Dinner honoring our wounded heroes and a celebrity golf outing in which the wounded heroes participate. Businesses and individuals sponsor and pay fees to attend and participate in these various events. The Impact A Hero Weekend combines emotional support for our wounded heroes along with fundraising activities to provide capital for Impact Player Partners' Impact A Hero programs. The results of Impact A Hero Weekend, which have been included in the financial statements are:

	<u>2009</u>	<u>2008</u>
Revenue		
Contributions received	\$ 233,238	\$ 146,860
Event revenue	<u>320,750</u>	<u>428,848</u>
Total Revenue	<u>553,988</u>	<u>575,708</u>
Expenses		
Advertising	10,949	11,321
Credit card fees	3,473	4,479
Travel	29,965	34,722
Public relations	2,875	6,000
5K walk	26,629	26,288
Gala	83,946	84,197
Golf outing	56,679	59,234
Data management fees	1,663	4,000
Insurance	953	953
Other	<u>6,814</u>	<u>3,920</u>
Total Expenses	<u>223,946</u>	<u>235,114</u>
Net Revenue	<u>\$ 330,042</u>	<u>\$ 340,594</u>

The other special event held in 2009 and 2008 was the Impact A Hero Cincinnati Reds Opening Day event, which raised \$205,749 and \$264,000 in revenue in 2009 and 2008, respectively, for the Organization. Total expenses for this event were \$83,004 and \$63,667, in 2009 and 2008, respectively.

IMPACT PLAYER PARTNERS, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2009 AND 2008

NOTE 7--FUNDRAISING--DIRECT MAIL CAMPAIGN

In 2009, the Organization contracted with an external fundraising company to coordinate a direct mail campaign. The results of the campaign, which have been included in the financial statements are:

Contributions	<u>\$ 187,857</u>
Expenses	
Printing	60,495
Postage	47,301
Professional fees	27,740
Mailing list rental	27,226
Data processing	5,211
Other	<u>25,066</u>
Total expenses	<u>193,039</u>
Net revenue (loss)	<u><u>\$ (5,182)</u></u>