

IMPACT PLAYER PARTNERS, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

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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, 2007 and 2006 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, 2007 and 2006, 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.

May 22, 2008



Certified Public Accountant

IMPACT PLAYER PARTNERS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2007 AND 2006

	<u>ASSETS</u>	
	<u>2007</u>	<u>2006</u>
Cash	\$ 79,397	\$ 150,620
Temporarily restricted cash	30,000	----
Deposits	<u>2,510</u>	<u>10</u>
<u>TOTAL ASSETS</u>	<u>\$ 111,907</u>	<u>\$ 150,630</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 28,583	\$ ----
Accrued payroll taxes	<u>2,575</u>	<u>2,512</u>
Total Liabilities	<u>31,158</u>	<u>2,512</u>

NET ASSETS

Unrestricted	50,749	148,118
Temporarily restricted	<u>30,000</u>	<u>----</u>
Total Net Assets	<u>80,749</u>	<u>148,118</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 111,907</u>	<u>\$ 150,630</u>

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

IMPACT PLAYER PARTNERS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007			2006		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES						
Contributions	\$ 36,785	\$ ----	\$ 36,785	\$ 129,618	\$ ----	\$ 129,618
Special events (Note 6)	664,095	30,000	694,095	499,558	----	499,558
Wristband revenue	----	----	----	5,809	----	5,809
In-Kind contributions	53,412	----	53,412	115,085	----	115,085
Other income	<u>1,722</u>	<u>----</u>	<u>1,722</u>	<u>----</u>	<u>----</u>	<u>----</u>
Total Revenues	756,014	30,000	786,014	750,070	----	750,070
Expenses						
Programs	492,289	----	492,289	397,955	----	397,955
General and administrative	62,620	----	62,620	72,329	----	72,329
Fundraising	<u>298,474</u>	<u>----</u>	<u>298,474</u>	<u>185,440</u>	<u>----</u>	<u>185,440</u>
Total Expenses	853,383	----	853,383	655,724	----	655,724
Change In Net Assets	(97,369)	30,000	(67,369)	94,346	----	94,346
Net Assets--Beginning	<u>148,118</u>	<u>----</u>	<u>148,118</u>	<u>53,772</u>	<u>----</u>	<u>53,772</u>
Net Assets--Ending	<u>\$ 50,749</u>	<u>\$ 30,000</u>	<u>\$ 80,749</u>	<u>\$ 148,118</u>	<u>\$ ----</u>	<u>\$ 148,118</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, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>OPERATING ACTIVITIES</u>		
Change in net assets	\$(67,369)	\$ 94,346
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Increase in deposits	(2,500)	----
Increase in accrued payroll taxes	63	156
Decrease in accounts payable	<u>28,583</u>	<u>----</u>
Net cash provided by operating activities	<u>26,146</u>	<u>94,502</u>
Net (decrease) increase in cash	(41,223)	94,502
<u>CASH-BEGINNING OF YEAR</u>	<u>150,620</u>	<u>56,118</u>
<u>CASH-END OF YEAR</u>	<u>\$ 109,397</u>	<u>\$ 150,620</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, 2007

	<u>EMOTIONAL</u> <u>SUPPORT</u>	<u>FINANCIAL</u> <u>SUPPORT</u>	<u>MENTORING</u> <u>SUPPORT</u>	<u>TOTAL</u> <u>PROGRAM</u>	<u>GENERAL &</u> <u>ADMINISTRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>TOTAL</u> <u>EXPENSES</u>
Wages	\$ 31,794	\$ -----	\$ -----	\$ 31,794	\$ 27,820	\$ 19,871	\$ 79,485
Payroll taxes	2,851	-----	-----	2,851	2,495	1,782	7,128
Employee benefits	3,897	-----	-----	3,897	3,409	2,435	9,741
Travel	57,866	-----	-----	57,866	3,616	10,850	72,332
Advertising	-----	-----	-----	-----	-----	11,402	11,402
Bank & credit card fees	-----	-----	-----	-----	2,046	1,572	3,618
Consulting	500	-----	-----	500	-----	-----	500
Film and broadcast	-----	-----	-----	-----	-----	-----	-----
BAMC Show/Christmas	11,660	-----	-----	11,660	-----	-----	11,660
Individual grants	-----	369,103	-----	369,103	-----	-----	369,103
Other grants	-----	-----	2,500	2,500	-----	-----	2,500
Hero assistance	6,625	157	-----	6,782	-----	-----	6,782
Houston Astros event	1,078	-----	-----	1,078	-----	-----	1,078
Insurance	-----	-----	-----	-----	3,432	-----	3,432
Fundraising	-----	-----	-----	-----	-----	24,211	24,211
Professional fees	-----	-----	-----	-----	5,350	-----	5,350
Public relations	-----	-----	-----	-----	-----	6,445	6,445
Printing and copying	-----	-----	-----	-----	-----	8,564	8,564
Supplies	-----	-----	-----	-----	20	-----	20
Telephone	846	-----	-----	846	845	-----	1,691
Office	-----	-----	-----	-----	9,339	-----	9,339
Postage and shipping	-----	-----	-----	-----	636	-----	636
Wristband expenses	-----	-----	-----	-----	-----	395	395
Special events (Note 6)	-----	-----	-----	-----	-----	-----	-----
Contributed travel and other (Note 3)	2,400	1,012	-----	3,412	-----	50,000	53,412
Other expenses	-----	-----	-----	-----	3,612	-----	3,612
Total Expenses	<u>\$ 119,517</u>	<u>\$ 370,272</u>	<u>\$ 2,500</u>	<u>\$ 492,289</u>	<u>\$ 62,620</u>	<u>\$ 298,474</u>	<u>\$ 853,383</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, 2006

	<u>EMOTIONAL SUPPORT</u>	<u>FINANCIAL SUPPORT</u>	<u>MENTORING SUPPORT</u>	<u>TOTAL PROGRAM</u>	<u>GENERAL & ADMINISTRATIVE</u>	<u>FUND RAISING</u>	<u>TOTAL EXPENSES</u>
Wages	\$ 30,535	\$ -----	\$ -----	\$ 30,535	\$ 26,718	\$ 19,085	\$ 76,338
Payroll taxes	-----	-----	-----	-----	9,703	-----	9,703
Employee benefits	-----	-----	-----	-----	4,682	-----	4,682
Travel	81,194	-----	-----	81,194	5,075	15,223	101,492
Advertising	-----	-----	-----	-----	-----	10,124	10,124
Awards	-----	-----	-----	-----	-----	799	799
Bank & credit card fees	-----	-----	-----	-----	2,229	955	3,184
Consulting	-----	1,000	-----	1,000	-----	-----	1,000
Film and broadcast	-----	-----	-----	-----	-----	879	879
Individual grants	-----	148,812	-----	148,812	-----	-----	148,812
Other grants	-----	-----	2,500	2,500	-----	-----	2,500
Hero assistance	2,060	2,009	-----	4,069	-----	-----	4,069
Insurance	-----	-----	-----	-----	2,586	-----	2,586
Printing and copying	-----	-----	-----	-----	-----	14,326	14,326
Supplies	-----	-----	-----	-----	1,461	-----	1,461
Telephone	818	-----	-----	818	819	-----	1,637
Office	-----	-----	-----	-----	11,460	-----	11,460
Professional fees	-----	-----	-----	-----	5,513	-----	5,513
Postage and shipping	-----	-----	-----	-----	967	-----	967
Souvenirs	1,600	-----	-----	1,600	-----	-----	1,600
Wristbands/belt buckles	-----	-----	-----	-----	-----	20,374	20,374
Special events (Note 6)	12,342	-----	-----	12,342	-----	93,319	105,661
Public relations	-----	-----	-----	-----	-----	2,250	2,250
Contributed travel (Note 3)	115,085	-----	-----	115,085	-----	-----	115,085
Fundraiser fees	-----	-----	-----	-----	-----	8,106	8,106
Other expenses	-----	-----	-----	-----	1,116	-----	1,116
Total Expenses	<u>\$ 243,634</u>	<u>\$ 151,821</u>	<u>\$ 2,500</u>	<u>\$ 397,955</u>	<u>\$ 72,329</u>	<u>\$ 185,440</u>	<u>\$ 655,724</u>

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

IMPACT PLAYER PARTNERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

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, 2007 AND 2006

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. Accordingly, 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. There were no such contributed services recorded in 2007 or 2006. However, 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>2007</u>	<u>2006</u>
Airline tickets, lodging and meals	\$ 2,400	\$ 115,085
Postage	1,012	----
Printing	<u>50,000</u>	<u>----</u>
Totals	<u>\$ 53,412</u>	<u>\$ 115,085</u>

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

No income or excise taxes were paid for the years ended December 31, 2007 and 2006. Additionally, no interest was paid for the years ended December 31, 2007 and 2006.

NOTE 5--TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2007 consist of contributions received for the 2008 Impact A Hero Weekend event.

IMPACT PLAYER PARTNERS, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2007 AND 2006

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 entailed a 5K Walk, Run & Wheel, a Celebrity Gala Dinner honoring our wounded heroes and a celebrity golf outing in which the wounded heroes participated. Businesses and individuals sponsored and paid 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>2007</u>	<u>2006</u>
Revenue		
Contributions received	\$ 72,550	\$ 10,465
Event revenue	<u>464,845</u>	<u>499,558</u>
Total Revenue	<u>537,395</u>	<u>510,023</u>
Expenses		
Advertising	11,402	10,124
Awards	----	799
Credit card fees	1,572	955
Film and broadcast	----	879
Travel	10,850	15,223
Printing and copying	8,564	14,326
Special event costs	122,433	93,319
Public relations	6,445	2,250
Fundraising	<u>24,211</u>	<u>8,106</u>
Total Expenses	<u>185,477</u>	<u>145,981</u>
Net Revenue	<u>\$ 351,918</u>	<u>\$ 364,042</u>

The other special event in 2007 was the Impact A Hero Cincinnati Reds Opening Day event, which raised \$126,700 in revenue for the Organization. Total expenses for this event were \$38,514.