

IMPACT PLAYER PARTNERS, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

DRAFT

INDEX

INDEPENDENT AUDITOR'S REPORT	1
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS OF CASH FLOWS	4
STATEMENT OF FUNCTIONAL EXPENSES--2008	5
STATEMENT OF FUNCTIONAL EXPENSES--2007	6
NOTES TO THE FINANCIAL STATEMENTS	7

DRAFT

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, 2008 and 2007 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, 2008 and 2007, 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.

DRAFT

April 22, 2009

Certified Public Accountant

IMPACT PLAYER PARTNERS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007

ASSETS

	<u>2008</u>	<u>2007</u>
Cash--unrestricted	\$ 137,327	\$ 79,397
Cash--temporarily restricted	10,000	30,000
Accounts Receivable	2,850	----
Deposits	<u>2,510</u>	<u>2,510</u>
<u>TOTAL ASSETS</u>	<u>\$ 152,687</u>	<u>\$ 111,907</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ ----	\$ 28,583
Accrued payroll taxes	<u>3,151</u>	<u>2,575</u>
Total Liabilities	<u>3,151</u>	<u>31,158</u>

NET ASSETS

Unrestricted	139,536	50,749
Temporarily restricted	<u>10,000</u>	<u>30,000</u>
Total Net Assets	<u>149,536</u>	<u>80,749</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 152,687</u>	<u>\$ 111,907</u>

DRAFT

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

IMPACT PLAYER PARTNERS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008			2007		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES						
Contributions	\$ 82,011	\$ ----	\$ 82,011	\$ 36,785	\$ ----	\$ 36,785
Special events (Note 6)	839,708	10,000	849,708	664,095	30,000	694,095
In-Kind contributions	140,208	----	140,208	53,412	----	53,412
Interest income	3,703	----	3,703	1,722	----	1,722
Released from restrictions	30,000	(30,000)	----	----	----	----
Total Revenues	1,095,630	(20,000)	1,075,630	756,014	30,000	786,014
Expenses						
Programs	575,067	----	575,067	492,289	----	492,289
General and administrative	59,439	----	59,439	62,620	----	62,620
Fundraising	372,337	----	372,337	298,474	----	298,474
Total Expenses	1,006,843	----	1,006,843	853,383	----	853,383
Change In Net Assets	88,787	(20,000)	68,787	(97,369)	30,000	(67,369)
Net Assets--Beginning	50,749	30,000	80,749	148,118	----	148,118
Net Assets--Ending	\$ 139,536	\$ 10,000	\$ 149,536	\$ 50,749	\$ 30,000	\$ 80,749

DRAFT

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, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>OPERATING ACTIVITIES</u>		
Change in net assets	\$ 68,787	\$(67,369)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Increase in accounts receivable	(2,850)	----
Increase in deposits	----	(2,500)
Increase in accrued payroll taxes	576	63
(Decrease)increase in accounts payable	<u>(28,583)</u>	<u>28,583</u>
Net (decrease) increase in cash	37,930	(41,223)
<u>CASH-BEGINNING OF YEAR</u>	<u>109,397</u>	<u>150,620</u>
<u>CASH-END OF YEAR</u>	<u>\$ 147,327</u>	<u>\$ 109,397</u>

DRAFT

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>MENTORING 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
Individual 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>\$</u>	<u>\$ 575,067</u>	<u>\$ 59,439</u>	<u>\$ 372,337</u>	<u>\$ 1,006,843</u>

DRAFT

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 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	\$ 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	----	61,482
Bank & credit card fees	----	----	----	----	2,046	----	2,046
Consulting	500	----	----	500	----	----	500
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
Supplies	----	----	----	----	20	----	20
Telephone	846	----	----	846	845	----	1,691
Office	----	----	----	----	9,339	----	9,339
Professional fees	----	----	----	----	5,350	----	5,350
Postage and shipping	----	----	----	----	636	----	636
Wristband expenses	----	----	----	----	----	395	395
Special events (Note 6)	----	----	----	----	----	223,991	223,991
Contributed travel and other (Note 3)	2,400	1,012	----	3,412	----	50,000	53,412
Other expenses	----	----	2,500	2,500	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>

DRAFT

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

IMPACT PLAYER PARTNERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

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.

DRAFT

IMPACT PLAYER PARTNERS, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2008 AND 2007

Accounts Receivable

Accounts receivable are periodically reviewed to determine collectibility. Accounts receivable have been shown without an allowance for bad debts as of December 31, 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 2007. 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>2008</u>	<u>2007</u>
Airline tickets, lodging and meals	\$ 93,164	\$ 2,400
Postage	851	1,012
Printing	21,500	50,000
Accounting services	293	----
Advertising	12,000	----
Special event prizes	8,600	----
Photography	<u>3,800</u>	<u>----</u>
Totals	<u>\$ 140,208</u>	<u>\$ 53,412</u>

DRAFT

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

No income or excise taxes were paid for the years ended December 31, 2008 and 2007. Additionally, no interest was paid for the years ended December 31, 2008 and 2007.

IMPACT PLAYER PARTNERS, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2008 AND 2007

NOTE 5--TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2008 and 2007 consist of contributions designated to be used for the Impact A Hero Weekend event for the subsequent fiscal year. The organization has elected to show restricted contributions whose restrictions are met in the same reporting period as when given as unrestricted support.

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>2008</u>	<u>2007</u>
Revenue		
Contributions received	\$ 146,860	\$ 72,550
Event revenue	<u>428,848</u>	<u>464,845</u>
Total Revenue	<u>575,708</u>	<u>537,395</u>
Expenses		
Advertising	11,321	11,402
Credit card fees	4,479	1,572
Travel	34,722	10,850
Printing and copying	----	8,564
Public relations	6,000	6,445
5K walk	26,288	11,511
Gala	84,197	74,576
Golf outing	59,234	57,577
Data management fees	4,000	----
Insurance	953	----
Other	<u>3,920</u>	<u>2,980</u>
Total Expenses	<u>235,114</u>	<u>185,477</u>
Net Revenue	<u>\$ 340,594</u>	<u>\$ 351,918</u>

DRAFT

The other special event held in 2008 and 2007 was the Impact A Hero Cincinnati Reds Opening Day event, which raised \$264,000 and \$126,700 in revenue in 2008 and 2007, respectively, for the Organization. Total expenses for this event were \$63,667 and \$38,514, in 2008 and 2007, respectively.