

**IMPACT PLAYER PARTNERS, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

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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, 2010 and 2009 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, 2010 and 2009, 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 24, 2011

  
Certified Public Accountant

**IMPACT PLAYER PARTNERS, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2010 AND 2009**

ASSETS

	<u>2010</u>	<u>2009</u>
Cash	\$ 212,037	\$ 120,244
Accounts receivable	41,621	13,013
Deposits	<u>10</u>	<u>2,510</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 253,668</u></b>	<b><u>\$ 135,767</u></b>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 81,915	\$ 54,694
Accrued payroll taxes	<u>362</u>	<u>2,890</u>
<b>Total Liabilities</b>	<b><u>82,277</u></b>	<b><u>57,584</u></b>

NET ASSETS

Unrestricted	<u>171,391</u>	<u>78,183</u>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>\$ 253,668</u></b>	<b><u>\$ 135,767</u></b>

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

**IMPACT PLAYER PARTNERS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUES</b>						
Contributions	\$ 50,134	\$ -----	\$ 50,134	\$ 67,270	\$ -----	\$ 67,270
Direct mail contributions (Note 6)	631,215	-----	631,215	187,857	-----	187,857
Special events (Note 5)	820,672	-----	820,672	759,737	-----	759,737
In-Kind contributions	161,714	-----	161,714	117,692	-----	117,692
Interest income	1,795	-----	1,795	1,274	-----	1,274
Released from restrictions	-----	-----	-----	10,000	( 10,000)	-----
Total Revenues	<u>1,665,530</u>	<u>-----</u>	<u>1,665,530</u>	<u>1,143,830</u>	<u>( 10,000)</u>	<u>1,133,830</u>
<b>Expenses</b>						
Programs	544,372	-----	544,372	526,464	-----	526,464
General and administrative	63,040	-----	63,040	58,212	-----	58,212
Fundraising	395,692	-----	395,692	427,468	-----	427,468
Direct mail fundraising (Note 6)	569,218	-----	569,218	193,039	-----	193,039
Total Expenses	<u>1,572,322</u>	<u>-----</u>	<u>1,572,322</u>	<u>1,205,183</u>	<u>-----</u>	<u>1,205,183</u>
Change In Net Assets	93,208	-----	93,208	( 61,353)	( 10,000)	( 71,353)
Net Assets--Beginning	78,183	-----	78,183	139,536	10,000	149,536
Net Assets--Ending	<u>\$ 171,391</u>	<u>\$ -----</u>	<u>\$ 171,391</u>	<u>\$ 78,183</u>	<u>\$ -----</u>	<u>\$ 78,183</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, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<b><u>OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 93,208	\$ ( 71,353)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Increase in accounts receivable	( 28,608)	( 10,163)
Decrease in deposits	2,500	----
Increase in accounts payable	27,221	54,694
Decrease in accrued payroll taxes	( 2,528)	( 261)
Net increase (decrease) in cash	( 91,793)	( 27,083)
<b><u>CASH-BEGINNING OF YEAR</u></b>	<u>120,244</u>	<u>147,327</u>
<b><u>CASH-END OF YEAR</u></b>	<u>\$ 212,037</u>	<u>\$ 120,244</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, 2010**

	<u>EMOTIONAL SUPPORT</u>	<u>FINANCIAL SUPPORT</u>	<u>TOTAL PROGRAM</u>	<u>GENERAL &amp; ADMINISTRATIVE</u>	<u>FUND RAISING</u>	<u>TOTAL EXPENSES</u>
Wages	\$ 33,400	\$ ----	\$ 33,400	\$ 29,225	\$ 20,875	\$ 83,500
Payroll taxes	2,734	----	2,734	2,393	1,709	6,836
Employee benefits	3,897	----	3,897	3,409	2,435	9,741
Travel	42,790	----	42,790	----	----	42,790
Bank & credit card fees	----	----	----	313	----	313
BAMC Show/Christmas	4,539	----	4,539	----	----	4,539
Grants	----	379,586	379,586	----	----	379,586
Hero assistance	26,559	----	26,559	----	----	26,559
Advertising	----	----	----	754	753	1,507
Insurance	----	----	----	2,526	----	2,526
Telephone	944	----	944	943	----	1,887
Office	----	----	----	15,586	----	15,586
Professional fees	----	----	----	5,892	----	5,892
Postage and shipping	----	----	----	453	----	453
Special events (Note 5)	----	----	----	----	255,116	255,116
Contributed travel and other (Note 3)	49,923	----	49,923	1,388	110,403	161,714
Direct mail costs (Note 6)	----	----	----	----	569,218	569,218
Other expenses	----	----	----	<u>158</u>	<u>4,401</u>	<u>4,559</u>
Total Expenses	<u>\$ 164,786</u>	<u>\$ 379,586</u>	<u>\$ 544,372</u>	<u>\$ 63,040</u>	<u>\$ 964,910</u>	<u>\$ 1,572,322</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 &amp; 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	4,522	30,156
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
Telephone	931	-----	931	931	-----	1,862
Office	-----	-----	-----	4,315	-----	4,315
Professional fees	-----	-----	-----	7,265	-----	7,265
Postage and shipping	-----	-----	-----	738	-----	738
Special events (Note 5)	-----	-----	-----	-----	306,998	306,998
Contributed travel and Other (Note 3)	29,042	-----	29,042	1,312	87,338	117,692
Direct mail costs (Note 6)	-----	-----	-----	-----	193,039	193,039
Other expenses	-----	-----	-----	1,134	-----	1,134
<b>Total Expenses</b>	<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.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

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, 2010 AND 2009**

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. No such services were recorded in the accompanying financial statements. 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>2010</u>	<u>2009</u>
Airline tickets, lodging and meals	\$ 49,923	\$ 29,042
Postage	1,388	1,312
Printing	----	20,000
Advertising	40,559	22,906
Special event expenses	<u>69,844</u>	<u>44,432</u>
Totals	<u>\$ 161,714</u>	<u>\$ 117,692</u>

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

No income or excise taxes were paid for the years ended December 31, 2010 and 2009. Additionally, no interest was paid for the years ended December 31, 2010 and 2009.

**IMPACT PLAYER PARTNERS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2010 AND 2009**

NOTE 5--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>2010</u>	<u>2009</u>
<b>Revenue</b>		
Contributions received	\$ 113,301	\$ 233,238
Event revenue	<u>617,320</u>	<u>320,750</u>
Total Revenue	<u>730,621</u>	<u>553,988</u>
<b>Expenses</b>		
Advertising	3,469	10,949
Credit card fees	1,685	3,473
Travel	43,623	29,965
Public relations	6,000	2,875
5K walk	29,343	26,629
Gala	90,350	83,946
Golf outing	53,866	56,679
Data management fees	----	1,663
Insurance	913	953
Other	<u>942</u>	<u>6,814</u>
Total Expenses	<u>230,191</u>	<u>223,946</u>
<b>Net Revenue</b>	<u>\$ 500,430</u>	<u>\$ 330,042</u>

The other special event held in 2010 and 2009 was the Impact A Hero Cincinnati Reds Opening Day event, which raised \$90,051 and \$205,749 in revenue in 2010 and 2009, respectively, for the Organization. Total expenses for this event were \$24,925 and \$83,004, in 2010 and 2009, respectively.