

**IMPACT PLAYER PARTNERS, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

## INDEX

INDEPENDENT AUDITOR'S REPORT	1
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS OF CASH FLOWS	4
STATEMENT OF FUNCTIONAL EXPENSES--2011	5
STATEMENT OF FUNCTIONAL EXPENSES--2010	6
NOTES TO THE FINANCIAL STATEMENTS	7

# Steven Potter & Company, CPA's, Inc.

1083 Hicks Blvd., Suite 305  
Fairfield, Ohio 45014  
Ph. (513) 939-0864 Toll Free (866) 579-4644 Fax: (513) 939-0865

## 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, 2011 and 2010 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, 2011 and 2010, 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.

June 11, 2012



Certified Public Accountant

**IMPACT PLAYER PARTNERS, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2011 AND 2010**

<u>ASSETS</u>		
	<u>2011</u>	<u>2010</u>
Cash	\$ 170,652	\$ 212,037
Accounts receivable	----	41,621
Deposits	<u>10</u>	<u>10</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 170,662</u></b>	<b><u>\$ 253,668</u></b>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ ----	\$ 81,915
Accrued payroll taxes	<u>510</u>	<u>362</u>
<b>Total Liabilities</b>	<b><u>510</u></b>	<b><u>82,277</u></b>

NET ASSETS

Unrestricted	<u>170,152</u>	<u>171,391</u>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>\$ 170,662</u></b>	<b><u>\$ 253,668</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, 2011 AND 2010**

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUES</b>						
Contributions	\$ 60,511	\$ ----	\$ 60,511	\$ 50,134	\$ ----	\$ 50,134
Direct mail contributions (Note 6)	499,261	----	499,261	631,215	----	631,215
Special events (Note 5)	863,824	----	863,824	820,672	----	820,672
In-Kind contributions	378,014	----	378,014	161,714	----	161,714
Interest income	1,160	----	1,160	1,795	----	1,795
<b>Total Revenues</b>	<u>1,802,770</u>	<u>----</u>	<u>1,802,770</u>	<u>1,665,530</u>	<u>----</u>	<u>1,665,530</u>
<b>Expenses</b>						
Programs	687,801	----	687,801	494,449	----	494,449
General and administrative	60,851	----	60,851	61,652	----	61,652
Fundraising	303,598	----	303,598	285,289	----	285,289
Direct mail fundraising (Note 6)	373,745	----	373,745	569,218	----	569,218
In-kind expenses	378,014	----	378,014	161,714	----	161,714
<b>Total Expenses</b>	<u>1,804,009</u>	<u>----</u>	<u>1,804,009</u>	<u>1,572,322</u>	<u>----</u>	<u>1,572,322</u>
<b>Change in Net Assets</b>	( 1,239)	----	( 1,239)	93,208	----	93,208
<b>Net Assets--Beginning</b>	<u>171,391</u>	<u>----</u>	<u>171,391</u>	<u>78,183</u>	<u>----</u>	<u>78,183</u>
<b>Net Assets--Ending</b>	<u>\$ 170,152</u>	<u>----</u>	<u>\$ 170,152</u>	<u>\$ 171,391</u>	<u>----</u>	<u>\$ 171,391</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, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b><u>OPERATING ACTIVITIES</u></b>		
Change in net assets	\$( 1,239)	\$ 93,208
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease(increase) in accounts receivable	41,621	( 28,608)
Decrease in deposits	----	2,500
Increase(decrease) in accounts payable	( 81,915)	27,221
Increase(decrease) in accrued payroll taxes	<u>148</u>	<u>( 2,528)</u>
Net increase (decrease) in cash	( 41,385)	91,793
<b><u>CASH-BEGINNING OF YEAR</u></b>	<u>212,037</u>	<u>120,244</u>
<b><u>CASH-END OF YEAR</u></b>	<u>\$ 170,652</u>	<u>\$ 212,037</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, 2011**

	EMOTIONAL SUPPORT	FINANCIAL SUPPORT	TOTAL PROGRAM	GENERAL & ADMINISTRATIVE	FUND RAISING	TOTAL EXPENSES
Wages	\$ 33,400	\$ ----	\$ 33,400	\$ 29,225	\$ 20,875	\$ 83,500
Payroll taxes	2,571	----	2,571	2,250	1,607	6,428
Employee benefits	3,897	----	3,897	3,409	2,435	9,741
Travel	33,083	----	33,083	-----	-----	33,083
Bank and credit card fees	-----	----	-----	111	-----	111
BAMC Show/Christmas	1,388	----	1,388	-----	-----	1,388
Grants	-----	580,500	580,500	-----	-----	580,500
Hero assistance	24,341	----	24,341	-----	-----	24,341
Advertising	-----	----	-----	150	150	300
Insurance	-----	----	-----	2,019	-----	2,019
Telephone	1,188	----	1,188	1,188	-----	2,376
Office	-----	----	-----	12,757	-----	12,757
Professional fees	-----	----	-----	7,014	-----	7,014
Postage and shipping	-----	----	-----	935	-----	935
Special events (Note 5)	-----	----	-----	-----	277,272	277,272
Direct mail costs (Note 6)	-----	----	-----	-----	373,745	373,745
Other expenses	<u>7,433</u>	-----	<u>7,433</u>	<u>1,793</u>	<u>1,259</u>	<u>10,485</u>
	107,301	580,500	687,801	60,851	677,343	1,425,995
Contributed in kind expenses (Note 3)	<u>44,300</u>	-----	<u>44,300</u>	<u>2,250</u>	<u>331,464</u>	<u>378,014</u>
Total Expenses	<u>\$ 151,601</u>	<u>\$ 580,500</u>	<u>\$ 732,101</u>	<u>\$ 63,101</u>	<u>\$ 1,008,807</u>	<u>\$ 1,804,009</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
Direct mail costs (Note 6)	-----	-----	-----	-----	569,218	569,218
Other expenses	-----	-----	-----	158	4,401	4,559
	<u>114,863</u>	<u>379,586</u>	<u>494,449</u>	<u>61,652</u>	<u>854,507</u>	<u>1,410,608</u>
Contributed in-kind expenses (Note 3)	<u>49,923</u>	-----	<u>49,923</u>	<u>1,388</u>	<u>110,403</u>	<u>161,714</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.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

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, 2011 AND 2010**

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. 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 has 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>2011</u>	<u>2010</u>
Airline tickets, lodging and meals	\$ 44,300	\$ 49,923
Postage	2,250	1,388
Advertising	98,590	40,559
Special event expenses	<u>232,874</u>	<u>69,844</u>
Totals	<u>\$ 378,014</u>	<u>\$ 161,714</u>

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

No income or excise taxes were paid for the years ended December 31, 2011 and 2010. Additionally, no interest was paid for the years ended December 31, 2011 and 2010.

**IMPACT PLAYER PARTNERS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2011 AND 2010**

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>2011</u>	<u>2010</u>
<b>Revenue</b>		
Contributions received	\$ 99,970	\$ 113,301
Event revenue	<u>740,661</u>	<u>617,320</u>
<b>Total Revenue</b>	<u>840,631</u>	<u>730,621</u>
<b>Expenses</b>		
Advertising	1,000	3,469
Credit card fees	1,718	1,685
Travel	43,780	43,623
Public relations	6,000	6,000
5K walk	39,558	29,343
Gala	92,397	90,350
Golf outing	66,267	53,866
Insurance	948	913
Other	<u>5,304</u>	<u>942</u>
<b>Total Expenses</b>	<u>256,972</u>	<u>230,191</u>
<b>Net Revenue</b>	<u>\$ 583,659</u>	<u>\$ 500,430</u>

The other special event held in 2011 and 2010 was the Impact A Hero Cincinnati Reds Opening Day event, which raised \$23,193 and \$90,051 in revenue in 2011 and 2010, respectively, for the Organization. Total expenses for this event were \$20,301 and \$24,925, in 2011 and 2010, respectively.

**IMPACT PLAYER PARTNERS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2011 AND 2010**

NOTE 6--FUNDRAISING--DIRECT MAIL CAMPAIGN

The Organization contracted with an external fundraising company to coordinate a direct mail campaign during 2010 and a portion of 2011. The campaign was terminated in November, 2011 and the Organization does not plan to use this method of fundraising in the future. The results of the campaign, which have been included in accompanying the financial statements are:

	<u>2011</u>	<u>2010</u>
Contributions	<u>\$ 499,261</u>	<u>\$ 631,215</u>
Expenses		
Printing	111,631	152,072
Postage	125,150	172,417
Professional fees	----	78,212
Mailing list rental	20,417	51,179
Data processing	21,147	18,584
Other	<u>95,400</u>	<u>96,754</u>
Total expenses	<u>373,745</u>	<u>569,218</u>
Net revenue (loss)	<u>\$ 125,516</u>	<u>\$ 61,997</u>

NOTE 7--SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 11, 2012, which is the date the financial statements were issued.