

IMPACT PLAYER PARTNERS, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Impact Player Partners, Inc.

We have audited the accompanying financial statements of Impact Player Partners, Inc., which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express such an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

We were unable to obtain sufficient appropriate audit evidence about the amounts recognized for special event revenue and expense in the year 2015. Consequently, we were unable to determine whether any adjustments to those amounts were necessary.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Impact Player Partners, Inc. as of December 31, 2015 and 2014 and the changes in its net assets and cash flows for the years then ended in accordance with the generally accepted accounting principles in United States of America.

November 4, 2016


Certified Public Accountants

IMPACT PLAYER PARTNERS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

	<u>ASSETS</u>	
	<u>2015</u>	<u>2014</u>
ASSETS		
Cash	\$ 215,567	\$ 156,089
Prepaid expenses	<u>11,038</u>	<u>6,072</u>
TOTAL ASSETS	<u>\$ 226,605</u>	<u>\$ 162,161</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 4,695	\$ 13,396
Accrued payroll taxes	<u>-</u>	<u>154</u>
TOTAL LIABILITIES	<u>4,695</u>	<u>13,550</u>
NET ASSETS		
Unrestricted	221,910	148,611
Temporarily restricted	<u>-</u>	<u>-</u>
TOTAL NET ASSETS	<u>221,910</u>	<u>148,611</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 226,605</u>	<u>\$ 162,161</u>

SEE NOTES TO FINANCIAL STATEMENTS

IMPACT PLAYER PARTNERS, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES						
Special events (Note 5)	\$ 870,866	\$ -	\$ 870,866	\$ 937,797	\$ -	\$ 937,797
Contributions	96,352	-	96,352	111,123	-	111,123
Donated goods and services	63,000	-	63,000	294,975	-	294,975
Assets released from restrictions	-	-	-	25,813	(25,813)	-
TOTAL SUPPORT AND REVENUE	1,030,218	-	1,030,218	1,369,708	(25,813)	1,343,895
EXPENSES						
Program services	359,692	-	359,692	480,080	-	480,080
General and administrative	166,434	-	166,434	96,297	-	96,297
Fundraising	430,793	-	430,793	738,184	-	738,184
TOTAL EXPENSES	956,919	-	956,918	1,314,561	-	1,314,561
CHANGE IN NET ASSETS	73,299	-	73,299	55,148	(25,813)	29,335
NET ASSETS - BEGINNING	148,611	-	148,611	93,463	25,813	119,276
NET ASSETS - ENDING	<u>\$ 221,910</u>	<u>\$ -</u>	<u>\$ 221,910</u>	<u>\$ 148,611</u>	<u>\$ -</u>	<u>\$ 148,611</u>

SEE NOTES TO FINANCIAL STATEMENTS

IMPACT PLAYER PARTNERS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 73,299	\$ 29,335
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in:		
Prepaid expenses	(4,967)	-
Increase (decrease) in:		
Accounts payable	(8,701)	(2,445)
Accrued payroll taxes	(154)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>59,478</u>	<u>26,890</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	59,478	26,890
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>156,089</u>	<u>129,199</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 215,567</u>	<u>\$ 156,089</u>

SEE NOTES TO FINANCIAL STATEMENTS

IMPACT PLAYER PARTNERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

	<u>Emotional Support</u>	<u>Financial Support</u>	<u>Total Program Services</u>	<u>General & Administrative</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Compensation and related expenses						
Salaries	\$ 39,841	\$ -	\$ 39,841	\$ 119,524	\$ -	\$ 159,365
Payroll taxes	2,858	-	2,858	8,574	-	11,432
Total compensation and related expenses	<u>42,699</u>	<u>-</u>	<u>42,699</u>	<u>128,097</u>	<u>-</u>	<u>170,797</u>
Special event	-	-	-	-	361,233	361,233
Grants	13,467	295,286	308,753	-	-	308,753
In kind expense	-	-	-	-	63,000	63,000
Professional fees	-	-	-	20,563	-	20,563
Advertising	-	-	-	-	6,560	6,560
Travel	240	-	240	6,260	-	6,500
Office expenses	-	-	-	5,547	-	5,547
Christmas event	4,284	-	4,284	-	-	4,284
Speaking fees	2,000	-	2,000	2,000	-	4,000
Telephone	1,716	-	1,716	1,716	-	3,431
Insurance	-	-	-	2,251	-	2,251
TOTAL EXPENSES	<u><u>\$ 64,406</u></u>	<u><u>\$ 295,286</u></u>	<u><u>\$ 359,692</u></u>	<u><u>\$ 166,434</u></u>	<u><u>\$ 430,793</u></u>	<u><u>\$ 956,919</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

IMPACT PLAYER PARTNERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014

	<u>Emotional Support</u>	<u>Financial Support</u>	<u>Total Program Services</u>	<u>General & Administrative</u>	<u>Fund Raising</u>	<u>Total</u>
Compensation and related expenses						
Salaries	\$ 59,004	\$ -	\$ 59,004	\$ 62,117	\$ 31,711	\$ 152,832
Payroll taxes	4,515	-	4,515	4,767	2,426	11,708
Total compensation and related expenses	<u>63,519</u>	<u>-</u>	<u>63,519</u>	<u>66,884</u>	<u>34,137</u>	<u>164,540</u>
Special event	-	-	-	-	437,179	437,179
Grants	4,657	347,800	352,457	-	-	352,457
In kind expense	43,946	-	43,946	-	251,029	294,975
Professional fees	-	-	-	12,761	-	12,761
Travel	4,225	-	4,225	-	-	4,225
Advertising	-	-	-	-	7,582	7,582
Office expenses	-	-	-	4,689	-	4,689
Christmas event	11,531	-	11,531	-	-	11,531
Telephone	2,402	-	2,402	2,402	-	4,804
Speaking fees	2,000	-	2,000	2,000	-	4,000
Insurance	-	-	-	2,086	-	2,086
Other expenses	-	-	-	5,475	8,257	13,732
TOTAL EXPENSES	<u><u>\$ 132,280</u></u>	<u><u>\$ 347,800</u></u>	<u><u>\$ 480,080</u></u>	<u><u>\$ 96,297</u></u>	<u><u>\$ 738,184</u></u>	<u><u>\$1,314,561</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

IMPACT PLAYER PARTNERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

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 immediate and ongoing emotional and financial support to American military personnel who were severely injured or disabled as a result of post 9/11 combat service. 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).

IMPACT PLAYER PARTNERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

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.

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.

Reclassifications

Certain prior year balances have been reclassified to make them consistent with the current year presentation.

NOTE 3--STATEMENT OF CASH FLOWS-SUPPLEMENTAL INFORMATION

No income or excise taxes were paid in the years ended December 31, 2015 and 2014. Additionally, no interest was paid for the years ended December 31, 2015 and 2014, respectively.

IMPACT PLAYER PARTNERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 4--CONCENTRATION OF RISK

The Federal Deposit Insurance Corporation insures cash balances at participating banks to amounts up to \$250,000. The organization did not have any uninsured balances as of December 31, 2015. The Organization did not incur any losses on cash deposits from December 31, 2015 to date.

NOTE 5--SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 4, 2016, the date of the audit report.

NOTE 6--NON-CASH CONTRIBUTIONS

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

	<u>2015</u>	<u>2014</u>
Advertising	\$ 43,500	\$ 11,875
Travel, lodging and meals	15,000	-
Services	4,500	201,600
Veteran gifts	-	80,500
Special event expenses	-	1,000
	<u> </u>	<u> </u>
Total	<u><u>\$ 63,000</u></u>	<u><u>\$ 294,975</u></u>

NOTE 7--FUND RAISING 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:

IMPACT PLAYER PARTNERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

	<u>2015</u> (Unaudited)	<u>2014</u>
Revenue		
Event revenue	\$ 768,538	\$ 795,166
Contribution received	102,327	142,631
Total revenue	<u>870,865</u>	<u>937,797</u>
Expense		
Gala	157,720	146,357
5K walk	57,899	82,848
Travel	56,833	66,947
Golf outing	40,688	76,683
Other	19,076	15,434
Credit card fees	15,965	5,824
Advertising	13,052	32,280
Public relations	-	9,000
Insurance	-	1,806
Total expense	<u>361,233</u>	<u>437,179</u>
Net Revenue	<u>\$ 509,633</u>	<u>\$ 500,618</u>

These amounts do not include in-kind contributions and the corresponding expenses of \$ 43,500 in 2015 and \$205,975 in 2014.