



***TEAM IMPACT, INC.***

***Audited Financial Statements***

***The Period From Inception (May 10, 2011)  
to December 31, 2011***

**LMHS, P.C.**

*Certified Public Accountants and Advisors*

TEAM IMPACT, INC.  
AUDITED FINANCIAL STATEMENTS  
THE PERIOD FROM INCEPTION (MAY 10, 2011)  
TO DECEMBER 31, 2011

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LMHS, P.C.  
*Certified Public Accountants and Advisors*

INDEPENDENT AUDITORS' REPORT

To The Board of Trustees  
Team Impact, Inc.  
Quincy, Massachusetts

We have audited the accompanying statement of financial position of Team Impact, Inc. (a nonprofit organization) as of December 31, 2011, and the related statements of activities and cash flows for the period from inception (May 10, 2011) to December 31, 2011. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Team Impact, Inc. as of December 31, 2011, and the changes in its net assets and its cash flows for the period from inception (May 10, 2011) to December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

*LMHS, P.C.*

LMHS, P.C.

March 1, 2012

TEAM IMPACT, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2011

ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	\$ 95,519
Prepaid Expenses	<u>868</u>
	<u>\$ 96,387</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accrued Expenses	\$ <u>2,000</u>
	2,000

NET ASSETS:

Unrestricted	<u>94,387</u>
	<u>\$ 96,387</u>

See Notes to Financial Statements

TEAM IMPACT, INC.  
STATEMENT OF ACTIVITIES  
THE PERIOD FROM INCEPTION (MAY 10, 2011)  
TO DECEMBER 31, 2011

REVENUE AND OTHER SUPPORT:

Founder Contributions	\$ 200,922
Contributions	8,350
Loss on Sale of Marketable Securities	( 1,504)
Interest Income	<u>73</u>
	207,841

EXPENSES:

Salaries and Wages	33,845
Payroll Taxes	3,385
Bank Charges	63
Computer Maintenance	10,465
Consulting	34,012
Filing Fees	850
Fundraising Expense	11,591
Insurance	5,151
Office Expense	2,587
Printing	256
Professional Fees	2,000
Telephone	1,432
Travel	5,349
Website Maintenance	<u>2,468</u>
	<u>113,454</u>

INCREASE IN UNRESTRICTED NET ASSETS	94,387
UNRESTRICTED NET ASSETS, BEGINNING	<u>          </u>
UNRESTRICTED NET ASSETS, ENDING	<u>\$ 94,387</u>

See Notes to Financial Statements

TEAM IMPACT, INC.  
STATEMENT OF CASH FLOWS  
THE PERIOD FROM INCEPTION (MAY 10, 2011)  
TO DECEMBER 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ 94,387
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:	
Non-Cash Contributions	( 50,922)
Realized Loss on Sale of Marketable Securities	1,504
Change in Operating Assets and Liabilities:	
(Increase) In:	
Prepaid Expenses	( 868)
Increase In:	
Accrued Expenses	2,000
	46,101

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds From Sale of Marketable Securities	49,418
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NET INCREASE IN CASH AND CASH EQUIVALENTS	95,519
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CASH AND CASH EQUIVALENTS - BEGINNING

CASH AND CASH EQUIVALENTS - ENDING	\$ 95,519
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SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Non-Cash Investing and Financing Activities:

Gifts of Marketable Securities	\$ 50,922
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See Notes to Financial Statements

TEAM IMPACT, INC.  
NOTES TO FINANCIAL STATEMENTS

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. Organization - Team Impact, Inc. (the Organization) was incorporated under the laws of the Commonwealth of Massachusetts and commenced operations on May 10, 2011.
2. Operations - The Organization was formed to raise funds to improve the quality of life for children with terminal diseases. Each child is adopted by a team and becomes an honorary member of the team. All contributions are used to fund this process.
3. Method of Accounting - The Organization's policy is to prepare its financial statements on the accrual method of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. This method of accounting conforms to generally accepted accounting principles.
4. Financial Statement Presentation - The Organization's financial statements are presented in conformity with FASB ASC 958-205-05, "Financial Statements of Not-for-Profit Organizations," which requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. A description of the three net asset categories follows:

Unrestricted - Net Assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designed for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.

Permanently Restricted - Net Assets subject to donor imposed restrictions that they be maintained permanently by the Organization.

Under FASB ASC 958-210-45, expenses are generally reported as decreases in unrestricted net assets. Expirations of donor-imposed restrictions that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

5. Concentration of Credit Risk - The Organization occasionally maintains deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.
6. 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.

TEAM IMPACT, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

7. Marketable Securities - The Organization accounts for marketable securities in accordance with generally accepted accounting principles for not-for-profit organizations, which establish accounting standards for investments in certain equity securities and for all debt securities. The guidance prescribes that covered investments be reported in the statement of financial position at fair value with any realized or unrealized gains or losses reported in the statement of activities.
8. 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.
9. Use of 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.

B. SUBSEQUENT EVENTS:

Management has evaluated events occurring after the balance sheet date through March 1, 2012, the date on which the financial statements were available to be issued. No material events have been identified which would require disclosure under FASB ASC 855-10-50-1.