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USA BASEBALL  
Combined Financial Statements  
December 31, 2021 and 2020

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The Board of Directors  
USA Baseball  
Durham, North Carolina

## INDEPENDENT AUDITOR'S REPORT

### ***Opinion***

We have audited the combined financial statements of United States Baseball Federation, Inc. and the Baseball America Foundation, Inc. (USA Baseball), which comprise the combined statements of financial position as of December 31, 2021 and 2020, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of USA Baseball as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of USA Baseball and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about USA Baseball's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 USA Baseball's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about USA Baseball's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Koonce, Wooten & Haywood, L.L.P.*

Raleigh, North Carolina  
May 11, 2022

USA BASEBALL  
 Combined Statements of Financial Position  
 December 31, 2021 and 2020

ASSETS		2021	2020
CURRENT ASSETS:			
Cash	\$	1,466,831	\$ 3,234,931
Restricted Cash		245,176	138,305
Accounts Receivable		2,624,250	559,979
Inventories		582,275	797,324
Investments		4,139,487	2,253,256
Other Current Assets		262,655	319,535
Total Current Assets		9,320,674	7,303,330
PROPERTY AND EQUIPMENT, net		184,394	236,410
Total Assets	\$	9,505,068	\$ 7,539,740
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Bat Licensing Program	\$	642,383	\$ 394,713
Accounts Payable and Accrued Expenses		506,494	189,635
Deferred Revenue		293,500	340,314
Total Current Liabilities		1,442,377	924,662
NET ASSETS:			
Without Donor Restrictions		7,792,290	6,477,619
With Donor Restrictions		270,401	137,459
Total Net Assets		8,062,691	6,615,078
Total Liabilities and Net Assets	\$	9,505,068	\$ 7,539,740

The accompanying notes are an integral part of the combined financial statements.

USA BASEBALL  
 Combined Statements of Activities and Changes in Net Assets  
 For the Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT:</b>						
Major League Baseball Funding	\$ 1,462,323	\$ 1,462,323	\$ 2,924,646	\$ 1,442,080	\$ 1,370,080	\$ 2,812,160
Bat Licensing Program Royalties	2,901,674	-	2,901,674	2,158,413	-	2,158,413
Event Registration and Room Rebates	1,925,294	-	1,925,294	156,610	-	156,610
Merchandise Sales and Memorabilia	1,755,623	-	1,755,623	705,938	-	705,938
MLB/USAB Joint Events	1,541,663	-	1,541,663	260,544	-	260,544
MLB Combine	1,471,501	-	1,471,501	-	-	-
Prospect Development Pipeline	-	1,268,411	1,268,411	-	172,637	172,637
Sponsorship, Licensing, and Donations	1,016,025	203,500	1,219,525	908,829	203,000	1,111,829
MLB/USOC Professional Team	617,343	8,000	625,343	0	32,415	32,415
Ticket Sales	471,526	-	471,526	53,830	-	53,830
Value In-Kind Donations	226,552	5,066	231,618	268,209	-	268,209
Other Income	45,209	-	45,209	63,276	-	63,276
Membership and National Member Org. Revenue	4,613	-	4,613	6,175	-	6,175
SBA Paycheck Protection Program	-	614,870	614,870	-	650,200	650,200
Employee Retention Tax Credit	-	163,464	163,464	-	-	-
Dividends and Interest	37,915	-	37,915	17,408	-	17,408
Net Realized and Unrealized Gains on Investments	142,903	-	142,903	329,846	-	329,846
Total	<u>13,620,164</u>	<u>3,725,634</u>	<u>17,345,798</u>	<u>6,371,158</u>	<u>2,428,332</u>	<u>8,799,490</u>
Net Assets Released from Restrictions:						
Satisfaction of Program Restrictions	<u>3,592,692</u>	<u>(3,592,692)</u>	<u>-</u>	<u>2,341,091</u>	<u>(2,341,091)</u>	<u>-</u>
Total Revenues and Other Support	<u>17,212,856</u>	<u>132,942</u>	<u>17,345,798</u>	<u>8,712,249</u>	<u>87,241</u>	<u>8,799,490</u>
<b>EXPENSES AND DIRECT COSTS:</b>						
Expenses:						
Program Services	13,823,524	-	13,823,524	6,733,832	-	6,733,832
Management and General	1,069,178	-	1,069,178	970,201	-	970,201
Fundraising	135,859	-	135,859	155,677	-	155,677
Total Expenses	<u>15,028,561</u>	<u>-</u>	<u>15,028,561</u>	<u>7,859,710</u>	<u>-</u>	<u>7,859,710</u>
Direct Costs:						
Merchandise Sales	832,874	-	832,874	321,608	-	321,608
Card Sale Fundraiser	36,750	-	36,750	8,495	-	8,495
Total Direct Costs	<u>869,624</u>	<u>-</u>	<u>869,624</u>	<u>330,103</u>	<u>-</u>	<u>330,103</u>
Total Expenses and Direct Costs	<u>15,898,185</u>	<u>-</u>	<u>15,898,185</u>	<u>8,189,813</u>	<u>-</u>	<u>8,189,813</u>
CHANGES IN NET ASSETS	1,314,671	132,942	1,447,613	522,436	87,241	609,677
NET ASSETS--Beginning of Year	<u>6,477,619</u>	<u>137,459</u>	<u>6,615,078</u>	<u>5,955,183</u>	<u>50,218</u>	<u>6,005,401</u>
NET ASSETS--End of Year	<u>\$ 7,792,290</u>	<u>\$ 270,401</u>	<u>\$ 8,062,691</u>	<u>\$ 6,477,619</u>	<u>\$ 137,459</u>	<u>\$ 6,615,078</u>

The accompanying notes are an integral part of the combined financial statements.

USA BASEBALL  
 Combined Statements of Functional Expenses  
 For the Years Ended December 31, 2021 and 2020

	2021				2020			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
<b>SALARIES AND EMPLOYEE RELATED EXPENSES:</b>								
Salaries	\$ 2,134,583	\$ 611,123	\$ 73,615	\$ 2,819,321	\$ 1,879,914	\$ 513,872	\$ 91,192	\$ 2,484,978
Employee Related Expenses	595,488	123,601	22,675	741,764	512,624	126,823	24,150	663,597
Total Salaries and Employee Related Expenses	<u>2,730,071</u>	<u>734,724</u>	<u>96,290</u>	<u>3,561,085</u>	<u>2,392,538</u>	<u>640,695</u>	<u>115,342</u>	<u>3,148,575</u>
<b>OPERATING EXPENSES:</b>								
Travel	3,669,001	574	916	3,670,491	322,782	2,936	138	325,856
Bat Licensing Program	1,600,986	-	-	1,600,986	1,192,125	-	-	1,192,125
Professional Services	1,077,375	135,613	30,351	1,243,339	662,948	119,719	11,845	794,512
Program Supplies	1,198,407	31,766	6,385	1,236,558	144,048	15,714	2,106	161,868
Honorarium/Umpire Fees	1,047,552	-	-	1,047,552	95,517	-	-	95,517
Rent:								
Playing Facilities	794,965	-	-	794,965	355,620	-	-	355,620
Office Facilities	52,381	13,524	-	65,905	141,632	36,924	-	178,556
Insurance	345,852	68,162	-	414,014	399,859	35,120	-	434,979
BAF/MLB Awards	303,500	-	-	303,500	263,000	-	-	263,000
Value In-Kind Donations	231,618	-	-	231,618	268,209	-	-	268,209
Postage and Shipping	154,127	2,408	201	156,736	97,244	1,449	24,827	123,520
Other	126,667	11,403	-	138,070	47,649	11,171	24	58,844
Depreciation	119,229	9,369	309	128,907	145,548	29,773	-	175,321
Printing	102,903	2,650	500	106,053	59,226	4,553	-	63,779
Bank Service Charges	97,367	1,813	590	99,770	35,042	1,161	645	36,848
Telephone	44,067	16,317	292	60,676	26,470	24,369	595	51,434
Appalachian League	51,004	-	-	51,004	-	-	-	-
SafeSport	39,321	-	-	39,321	39,200	-	-	39,200
Office Supplies and Utilities	25,214	13,049	-	38,263	23,317	10,959	5	34,281
Accounting	-	15,500	-	15,500	-	15,000	-	15,000
Meeting/Directors Expense	-	11,696	-	11,696	-	9,250	-	9,250
Promotions/Shows	9,935	-	25	9,960	21,858	10,425	150	32,433
Medical and Safety	1,632	-	-	1,632	-	-	-	-
International Relations (IBAF/COPABE)	350	600	-	950	-	-	-	-
MLB/USOC Relations	-	10	-	10	-	983	-	983
Total Operating Expenses	<u>11,093,453</u>	<u>334,454</u>	<u>39,569</u>	<u>11,467,476</u>	<u>4,341,294</u>	<u>329,506</u>	<u>40,335</u>	<u>4,711,135</u>
Total Functional Expenses	<u>\$ 13,823,524</u>	<u>\$ 1,069,178</u>	<u>\$ 135,859</u>	<u>\$ 15,028,561</u>	<u>\$ 6,733,832</u>	<u>\$ 970,201</u>	<u>\$ 155,677</u>	<u>\$ 7,859,710</u>

The accompanying notes are an integral part of the combined financial statements.

USA BASEBALL  
 Combined Statements of Cash Flows  
 For the Years Ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$ 1,447,613	\$ 609,677
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	128,907	175,321
Net Realized and Unrealized Gains on Investments	(142,903)	(329,846)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(2,064,271)	1,250,185
Inventories	215,049	(162,354)
Other Current Assets	56,880	(51,590)
Bat Licensing Program	247,670	(399,039)
Accounts Payable and Accrued Expenses	316,859	(409,359)
Deferred Revenue	(46,814)	115,820
Net Cash Provided by Operating Activities:	158,990	798,815
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property and Equipment	(76,891)	(86,182)
Proceeds from Sale of Investments	1,232,642	627,875
Purchases of Investments	(2,975,970)	(560,414)
Net Cash Used by Investing Activities:	(1,820,219)	(18,721)
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	(1,661,229)	780,094
CASH AND RESTRICTED CASH--Beginning of Year	3,373,236	2,593,142
CASH AND RESTRICTED CASH--End of Year	\$ 1,712,007	\$ 3,373,236

The accompanying notes are an integral part of the combined financial statements.



USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2021 and 2020

1. Summary of Significant Accounting Policies

A. Nature of Operations:

The United States Baseball Federation, Inc. (the Federation) was incorporated in the state of Michigan in 1965 and acts as the national governing body for the sport of baseball in compliance with the Amateur Sports Act of 1978 and the Constitution and Bylaws of the United States Olympic & Paralympic Committee. The Federation is supported primarily through sponsorships, donations, ticket and merchandise sales, event registrations, and Major League Baseball. The Baseball America Foundation, Inc. (the Foundation) was established in 1985 in the state of New Jersey for the purpose of managing and administering the funds given by the Los Angeles Olympic Organization Committee to the Federation.

The Federation and the Foundation are collectively referred to herein as USA Baseball (USAB).

B. Basis of Presentation:

The combined financial statements have, in all material respects, been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP). U.S. GAAP also requires not-for-profit organizations to classify resources into two net asset categories according to externally-imposed restrictions. Accordingly, net assets of USAB and changes therein are classified and reported as follows:

Without Donor Restrictions--Net assets that are not subject to externally-imposed restrictions.

With Donor Restrictions--Net assets subject to externally-imposed restrictions that may or will be met either by actions of USAB and/or the passage of time. Also, net assets subject to externally-imposed stipulations that they be maintained permanently by USAB.

The combined financial statements include the accounts of the Federation and the Foundation. All significant interagency accounts and transactions have been eliminated in combination.

C. Accounting Estimates:

The preparation of combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Contributions and Other Revenue:

Annual contributions and grants are generally available for unrestricted use in the related year unless specifically restricted by the donor. Unconditional promises to give are recorded as revenues or gains in the period received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributions received are recorded as support with or without donor restrictions depending on the existence or nature of any donor restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, USAB reports the support as without donor restrictions. Contributions are recognized as revenue in the period the commitment is received.

USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2021 and 2020

1. Summary of Significant Accounting Policies (Continued)

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions. At December 31, 2021 and 2020, there were no unconditional promises to give.

Grants and other contributions of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities and changes in net assets as net assets released from restrictions.

Gifts of land, building, and equipment are presented as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, USAB reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

Revenue from usage fees and other income are recognized as revenue when the service is provided.

E. Cash and Cash Equivalents:

For the purposes of the combined statement of cash flows, USAB considers cash and highly liquid cash investments with an original maturity of three months or less to be cash equivalents. Restricted cash represents funds that have been designated for a specific purpose and time. All restricted cash is held in escrow for the Youth Baseball Bat Licensing Program (see Note 13).

A reconciliation of cash and restricted cash as shown in the combined statement of cash flows is as follows:

	2021	2020
Current Assets:		
Cash	\$ 1,466,831	\$ 3,234,931
Restricted Cash	245,176	138,305
	\$ 1,712,007	\$ 3,373,236

F. Investments:

Investments in marketable securities with readily determinable fair values are reported at their fair values in the combined statement of financial position. Fair value is based on quoted market prices. Net realized gains and losses and changes in net unrealized market gains and losses are determined by comparing cost to proceeds and fair value, respectively. Realized gains and losses on the sale of investments are determined using the specific identification method.

USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2021 and 2020

1. Summary of Significant Accounting Policies (Continued)

G. Inventories:

Inventories are stated at the lower of cost or net realizable value and are accounted for on a first in, first out basis. All donated inventories are recorded at fair market value.

H. Accounts Receivable:

Accounts receivable results primarily from the accrual of sponsorships and licensing revenue. A provision for doubtful accounts has not been established as management considers all accounts receivable at year-end to be collectable.

I. Property and Equipment:

Property and equipment is recorded at cost or estimated fair value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, which range from 3 to 10 years. Acquisitions of property and equipment in excess of \$1,000 and with a useful life over one year are capitalized.

J. Impairment of Long-Lived Assets:

USAB reviews the carrying value of long-lived assets for impairment whenever certain triggering events or changes in circumstances indicate that the carrying amounts of any asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the excess of the carrying amount over the fair value of the assets. Based on management's assessment of long-lived assets, there was no impairment for the years ended December 31, 2021 or 2020.

K. Advertising:

USAB follows the policy of charging the costs of advertising to expense as incurred. Advertising costs were \$9,960 and \$32,433 for the years ended December 31, 2021 and 2020, respectively, and are recorded as a part of promotions/shows expense.

L. Functional Expenses:

The costs of providing the program and supporting services of USAB are included in the combined statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of estimates made by USAB management.

M. Income Taxes:

The Federation and the Foundation have been recognized as tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Code. Income from certain activities not directly related to their tax-exempt purpose is subject to taxation as unrelated business income. In addition, USAB qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2) for the Federation and Section 509(a)(1) for the Foundation.

It is USAB's policy to evaluate all tax positions to identify those that may be considered uncertain. All identified material tax positions are assessed and measured by a "more-likely-than-not" threshold to determine if the benefit of any certain tax position should be recognized in the period the change occurs. USAB has concluded that as of December 31, 2021 and 2020, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the combined financial statements.

USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2021 and 2020

1. Summary of Significant Accounting Policies (Continued)

USAB files its Form 990 series tax returns in the U.S. Federal jurisdiction and with the North Carolina Department of Revenue. USAB's tax returns are subject to examination by the Internal Revenue Service for a period of three years after the respective filing deadlines. USAB's state tax returns for the same years are subject to examination by state authorities for similar time periods.

2. Revenue Recognition

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers, Accounting Standards Code Topic 606* (Topic 606). Topic 606 and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in GAAP. Topic 606 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle in the pronouncement is the recognition of revenue for contracts with customers in an amount that reflects the consideration that an entity expects to be entitled to in exchange for the provisions of goods or services.

USAB derives significant revenues from membership dues, royalties and licensing, sponsorships event registration and room rebates, merchandise sales, ticket sales, and event hosting.

The following is a summary of the principal forms of USAB's services recognized in accordance with Topic 606 and how revenue is recognized for each.

Membership Dues

USAB receives membership dues from agencies in exchange for membership benefits. Revenue related to membership dues is recognized in the period the membership benefits are provided.

Royalties and Licensing

USAB receives royalties and licensing fees for use of the USAB trademark on various products, such as baseball bats and clothing. USAB has agreements with various manufacturers by which USAB receives a percentage of sales as royalties or licensing fees. Revenue related to royalties and licensing is recognized in the period of the sale that generates royalties is made.

Sponsorships

USAB receives sponsorships of events or to be the official sponsor of a product or service to USAB from various companies. Revenue related to sponsorships is recognized either in the period the sponsored event takes place or over the period that the sponsorship covers. Deferred revenue related to event registration was \$100,000 at December 31, 2021 and 2020.

Event Registration and Room Rebates

USAB receives event registration fees for events throughout the year. Revenue related to event registration is recognized in the period the event takes place. USAB receives rebates from certain hotels for event participants selecting those hotels to stay at during the event. Revenue related to room rebates is recognized in the period the participant stayed at the hotel. Deferred revenue related to event registration was \$193,500 and \$240,314 at December 31, 2021 and 2020, respectively.

Merchandise Sales

USAB receives revenue from the sale of merchandise. Revenue related to merchandise sales is recognized in the period of the sale.

USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2021 and 2020

2. Revenue Recognition (Continued)

Ticket Sales

USAB receives revenue from the sale of tickets to attend various USAB events. Revenue related to ticket sales is recognized in the period the event takes place.

Event Hosting

USAB receives revenue from the hosting of the MLB Combine and various other joint events with the MLB. MLB reimburses USAB for its cost of hosting these events. Revenue related to event hosting is recognized in the period the event takes place.

*Disaggregation of Revenue*

In the following table, revenue recognized through Topic 606 is disaggregated by major services line and timing of revenue recognition.

	<u>2021</u>	<u>2020</u>
Major Services:		
Royalties and Licensing	\$ 3,421,674	\$ 2,700,924
Event Hosting	3,013,164	260,544
Event Registration and Room Rebates	1,925,294	156,610
Merchandise Sales	1,755,623	705,938
Ticket Sales	471,526	53,830
Sponsorships	428,895	343,000
Membership Dues	4,613	6,175
	<u>\$ 11,020,789</u>	<u>\$ 4,227,021</u>
Timing of Revenue Recognition:		
Services transferred over time	\$ 433,508	\$ 349,175
Services transferred at a point in time	10,587,281	3,877,846
	<u>\$ 11,020,789</u>	<u>\$ 4,227,021</u>

USAB assesses certain economic factors and the potential for significant changes in those economic factors and its impact on the nature, amount, timing and uncertainty of revenue and cash flows. Common factors ordinarily impacting USAB would be general economic trends. These factors have been assessed and management feels they have limited impact on the performance of USAB. However, other factors such as the impact of the COVID-19 pandemic have been assessed as well.

*Contract Balances*

Contract assets are disclosed in the statements of financial position as accounts receivable and represent royalties, sponsorship, and event hosting amounts owed by customers. As the contract payments are fixed per the contract agreement, management does not have any unbilled contract assets. Contract liabilities are disclosed in the statements of financial position as deferred revenue.

*Significant Judgments When Applying the Guidance*

USAB assesses judgments and changes in judgments that significantly affect the determination and timing of revenue.

3. Cash Concentrations

At December 31, 2021 and 2020 and at various times throughout the years then ended, USAB maintained cash balances with financial institutions in excess of Federal Deposit Insurance Corporation insured limits. Uninsured funds were \$1,160,770 and \$3,047,602 at December 31, 2021 and 2020, respectively.

USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2021 and 2020

4. Donated Goods

Donated goods are valued at fair market value. USAB received \$231,618 and \$268,209 of noncash contributions of goods during the years ended December 31, 2021 and 2020, respectively.

5. Property and Equipment

Property and equipment consist of the following:

	2021	2020
Furniture and Equipment	\$ 1,058,694	\$ 1,135,964
Accumulated Depreciation	(874,300)	(899,554)
Property and Equipment, net	<u>\$ 184,394</u>	<u>\$ 236,410</u>

6. Line of Credit

USAB has available for its use a \$100,000 line of credit collateralized by all inventory, chattel paper, accounts receivable, equipment, and general intangibles. Interest on advances is payable at the London Interbank Offered Rate plus 2.5% and is due and payable monthly. The principal and any accrued unpaid interest are due and payable upon demand. The principal balance of this loan must be reduced to a zero balance for a period of at least 30 consecutive days during the year. At December 31, 2021 and 2020, there was no amount owed under this line of credit.

7. Investments

At December 31, 2021 and 2020, USAB's investments were held at and managed in two brokerage accounts. All investments were measured at fair value and include common stocks, exchange-traded and closed-end funds, corporate bonds, government securities, and mutual funds.

Investments of USAB at December 31, 2021 consisted of the following:

	Historical Costs	Fair Value
Equity Securities	\$ 543,002	\$ 901,267
Mutual Funds	724,017	759,668
Exchange Traded and Closed-End Funds	368,323	561,694
Fixed Income	1,931,868	1,916,858
	<u>\$ 3,567,210</u>	<u>\$ 4,139,487</u>

Investments of USAB at December 31, 2020 consisted of the following:

	Historical Costs	Fair Value
Equity Securities	\$ 647,800	\$ 1,036,479
Mutual Funds	366,291	383,549
Exchange Traded and Closed-End Funds	252,025	396,260
Fixed Income	421,559	436,968
	<u>\$ 1,687,675</u>	<u>\$ 2,253,256</u>

USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2021 and 2020

7. Investments (Continued)

USAB's investments are exposed to various risks, such as interest rate, credit, and market risks. Interest rate risk is the risk an entity may face should interest rate variances affect fair value of investments. Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. Market risk is the risk associated with certain investment securities, such that it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the combined financial statements.

8. Fair Value

USAB follows ASC 820, *Fair Value Measurements and Disclosures*, as amended, with respect to fair value measurements of its financial assets and liabilities. This standard defines fair value as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The standard also establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

The hierarchy is broken down into three levels. Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

In accordance with ASC 820, the table below provides information by level for assets that are measured at fair value on a recurring basis at December 31, 2021:

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total
Equity Securities	\$ 901,267	\$ -	\$ -	\$ 901,267
Mutual Funds	759,668	-	-	759,668
Exchange Traded and Closed-End Funds	561,694	-	-	561,694
Fixed Income	1,916,858	-	-	1,916,858
	<u>\$ 4,139,487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,139,487</u>

In accordance with ASC 820, the table below provides information by level for assets that are measured at fair value on a recurring basis at December 31, 2020:

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total
Equity Securities	\$ 1,036,479	\$ -	\$ -	\$ 1,036,479
Mutual Funds	383,549	-	-	383,549
Exchange Traded and Closed-End Funds	396,260	-	-	396,260
Fixed Income	436,968	-	-	436,968
	<u>\$ 2,253,256</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,253,256</u>

USA BASEBALL  
Notes to Combined Financial Statements  
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9. Leases

USAB leases certain equipment under leases expiring in December 2023. Equipment lease expense was \$3,632 and \$4,783 for the years ended December 31, 2021 and 2020, respectively and is included in printing expense.

During 2017, USAB entered into a lease for the USAB Fulfillment Center warehouse. This agreement was extended in 2019 until December 2021. A new lease three year lease was signed with the term starting in January 2022. Lease expense was \$49,012 and \$47,586 for the years ended December 31, 2021 and 2020, respectively.

During 2015, USAB signed a lease for office facilities. This agreement was extended in 2019 until December 2021. In 2021, USAB signed an agreement to cancel the lease as of March 31, 2021. Lease expense was \$65,905 and \$178,556 for the years ended December 31, 2021 and 2020.

Future lease expense for USAB is projected to be as follows:

Years Ending December 31	
2022	\$ 54,137
2023	55,716
2024	55,921
	<u>\$ 165,774</u>

10. USAB National Training Complex Agreement/Lease

On October 9, 2008, USAB entered into a 10-year license agreement with the town of Cary, North Carolina to use the baseball complex at Thomas Brook Park in Cary, North Carolina. USAB will annually, over the term of this license agreement, pay a base license fee of \$20,000 per year. USAB will also pay an additional license fee, a portion of all sponsorship and signage revenue, and a portion of retail merchandise sales. The Town of Cary is guaranteed a minimum payment of sponsorship and signage revenue of \$125,000 for the first year, \$150,000 for years two through five, and \$150,000 with a consumer price index adjustment for years six through ten. Under this license agreement, USAB incurred fees of \$266,579 for the years ended December 31, 2021 and 2020, which are included in rent–playing facilities in the combined statement of functional expenses. Additional rent payments, for the years ended December 31, 2021 and 2020, respectively, of \$23,040 and \$0 were made outside of the license agreement for individual events and are also included in rent–playing facilities in the combined statement of functional expenses. The contract expired during 2017. USAB is currently negotiating a new contract with the town of Cary, North Carolina. Until a new contract is executed, both parties have agreed to continue operating under the basic terms of the expired agreement.

11. Retirement Plan

USAB maintains a 401(k) plan in which eligible employees are able to enter the deferral portion of the plan immediately upon electing to participate. Employees who have attained the age of 21 are eligible to participate. Under the plan, USAB will make matching contributions equal to 100% of the employee's elective deferral contributions, up to 3% of the employee's compensation, and 50% of the elective deferral contributions over 3% of the employee's compensation, but not to exceed 5% of compensation. USAB made matching contributions of \$99,536 and \$90,083 for the years ended December 31, 2021 and 2020, respectively.



USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2021 and 2020

12. Major League Baseball Agreement

USAB granted exclusively to Major League Baseball Properties, Inc. and MLB Advanced Media, LLC, the rights to use, license and sublicense, on a worldwide, nonroyalty bearing basis all commercial and editorial rights and interest and other rights to generate revenue annually for the term beginning January 2016 and concluding December 2021. USAB is currently in negotiations for a new multi-year contract with expectation that a new agreement will be signed during 2022. USAB will receive annual funding for its operations from the Office of the Commissioner of Baseball under the new agreement similar to the recently expired contract. There is also revenue sharing between the entities in this agreement.

13. Youth Baseball Bat Licensing Program

During 2017, USAB entered into USA Baseball Youth Bat Performance Standard Trademark License Agreements with 12 bat manufacturers in which the licensees pay USAB a licensing royalty of 5% of net sales of approved bats bearing the trademark, paid on a quarterly basis. This agreement runs through December 31, 2022.

Also during 2017, USAB entered into Youth Bat Licensing Royalty Agreements with five youth baseball organizations in which USAB distributes 2.75% of the 5% royalties received from the bat manufacturer's agreements. Distributions are made on a quarterly basis. The monies are kept in a separate bank account from USAB's general funds and are included in restricted cash on the combined statement of financial position. Payables to youth baseball organizations of \$642,383 and \$394,713 are included in bat licensing program on the combined statement of financial position at December 31, 2021 and 2020, respectively.

USAB retains 2.25% of the 5% of royalties received from the bat manufacturer's agreements. During 2021 and 2020, USAB earned bat licensing program income of \$2,901,674 and \$2,158,413, respectively.

14. Net Assets Without Donor Restrictions

Net assets without donor restrictions at December 31, 2021 and 2020 are as follows:

	2021	2020
Undesignated	\$ 7,659,803	\$ 6,345,132
Board Designated - USAB Develops	132,487	132,487
	<u>\$ 7,792,290</u>	<u>\$ 6,477,619</u>

15. Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2021 and 2020 are available for the following purposes:

	2021	2020
USAB Develops	\$ 71,329	\$ 105,044
Prospect Development Pipeline	199,072	-
USOC Pro Team	-	32,415
	<u>\$ 270,401</u>	<u>\$ 137,459</u>

USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2021 and 2020

16. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of passage of time or other events specified by donors. The net assets released from restrictions for the years ended December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
USAB Develops	\$ 1,699,538	\$ 1,468,036
Prospect Development Pipeline	1,074,405	222,855
USOC Pro Team	40,415	-
Paycheck Protection Program	614,870	650,200
Employee Retention Tax Credit	163,464	-
	<u>\$ 3,592,692</u>	<u>\$ 2,341,091</u>

17. Board Designated Endowment Fund

The Foundation's invested funds provide long-term support to the Federation. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. A board-designated endowment fund is generally created when a governing board designates or earmarks a portion of its net assets without donor restrictions to be invested for a long, and possibly unspecified, period of time.

The State of North Carolina enacted the North Carolina Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective March 2009, the provisions of which apply to endowment funds existing on or established after that date. Absent donor stipulations to the contrary, the provisions of this state law do not impose either a permanent or temporary restriction on the income or capital appreciation derived from the original gifts.

Changes in board-designated endowment assets of the years ended December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Endowment Net Assets at January 1	\$ 2,417,596	\$ 2,141,843
Investment Return:		
Investment Income, net	2,418	5,907
Net Appreciation (Depreciation):		
Realized and Unrealized	186,444	329,846
Total Investment Return	<u>188,862</u>	<u>335,753</u>
Reclassifications	-	-
Contributions	-	-
Other Expense	-	-
Amount Appropriated for Expenditure	<u>(100,000)</u>	<u>(60,000)</u>
Endowment Net Assets at December 31	<u>\$ 2,506,458</u>	<u>\$ 2,417,596</u>

USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2021 and 2020

17. Board Designated Endowment Fund (Continued)

*Investment Return Objectives and Strategies*

The Foundation's investment policies include investment objectives relative to its long-term investments. The overall objective is to maximize the return on invested assets while minimizing risk and expenses. To achieve this overall objective, the Foundation has employed investment strategies of diversification, credit quality and asset-allocation ranges. In addition, investments within the portfolio should be readily marketable. The invested composition at any given time is dependent upon a number of factors, including the amount available for investment and current market conditions.

*Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Foundation has a policy of distributing amounts over an established corpus amount of \$1,050,000, with approval by the Board of Directors. In establishing this policy, the Foundation considered the long-term expected return on its investments. Accordingly, the Foundation expects the current spending policy to sustain its endowment and investment return objectives.

18. Liquidity and Availability

USAB manages its liquid assets by investing holdings in interest-bearing deposits, bonds, mutual funds, and similar investments to ensure that there are adequate resources to cover operating and capital needs. Departmental budgets are prepared through extensive meetings and those budgets are converted to cash flow budgets in order to anticipate cash needs.

The following reflects USAB's financial assets (cash and cash equivalents and investments) as of December 31, 2021 and 2020 expected to be available within one year to meet the cash needs for general expenditures:

	<u>2021</u>	<u>2020</u>
Financial assets available within one year:		
Cash	\$ 1,712,007	\$ 3,373,236
Accounts Receivable	2,624,250	559,979
Investments	<u>4,139,487</u>	<u>2,253,256</u>
Financial assets, at year end	8,475,744	6,186,471
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Contractual restrictions	245,176	138,305
Restricted by donor with purpose restrictions	270,401	137,459
Board Designated	<u>132,487</u>	<u>132,487</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,827,680</u>	<u>\$ 5,778,220</u>

USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2021 and 2020

19. Appalachian League

In 2021, USAB received \$5,128,110 in funding designated for the Appalachian League, Inc., another non-profit. The funding received was based on the budgeted support necessary for the Appalachian League's first year of operations. USAB helped to administer these operations and spend these funds at the direction of the Appalachian League. All funding was spent during the year ended December 31, 2021, therefore no liability was recorded.

20. COVID-19 and Funding under the Paycheck Protection Program

As a result of COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact event revenue, ticket sales, and bat licensing program royalties.

On April 17, 2020, USAB entered into a loan with PNC Bank in an aggregate principal amount of \$650,200 (Loan), pursuant to the Paycheck Protection Program (PPP) under the CARES Act. USAB received full forgiveness on August 18, 2021. Loan forgiveness revenue of \$650,200 was recognized as SBA Paycheck Protection Program income as of December 31, 2020.

On February 9, 2021, USAB entered into a loan with PNC Bank in an aggregate principal amount of \$614,870 for a Second Draw PPP loan pursuant to the COVID-Related Tax Relief Act of 2020. USAB received full forgiveness on April 7, 2022. Loan forgiveness revenue of \$614,870 was recognized as SBA Paycheck Protection Program income as of December 31, 2021.

21. Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the presentation of the current year financial statements. The reclassifications have no effect on the change in net assets for the prior year.

22. Subsequent Events

USAB evaluated the events and transactions subsequent to its December 31, 2021 combined statement of financial position date and determined there were no significant events to report through May 11, 2022, which is the date USAB issued its combined financial statements.



Board of Directors  
USA Baseball  
Durham, North Carolina

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

We have audited the combined financial statements of USA Baseball as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated May 11, 2022, which contained an unmodified opinion on those combined financial statements. Our audits were performed for the purpose of forming an opinion on the combined financial statements as a whole.

The supplementary information is presented for the purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Koonce, Wooten & Haywood, L.L.P.*

Raleigh, North Carolina  
May 11, 2022

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USA BASEBALL  
Combining Statement of Financial Position  
December 31, 2021

ASSETS

	United States Baseball Federation, Inc.	Baseball America Foundation, Inc.	Eliminations	Total
<b>CURRENT ASSETS:</b>				
Cash	\$ 1,282,201	\$ 184,630	\$ -	\$ 1,466,831
Restricted Cash	245,176	-	-	245,176
Account Receivable	2,624,250	-	-	2,624,250
Inventories	582,275	-	-	582,275
Investments	1,820,185	2,319,302	-	4,139,487
Other Current Assets	260,129	2,526	-	262,655
Total Current Assets	<u>6,814,216</u>	<u>2,506,458</u>	-	<u>9,320,674</u>
<b>PROPERTY AND EQUIPMENT, net</b>	<u>184,394</u>	-	-	<u>184,394</u>
Total Assets	<u>\$ 6,998,610</u>	<u>\$ 2,506,458</u>	<u>\$ -</u>	<u>\$ 9,505,068</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>				
Bat Licensing Program	\$ 642,383	\$ -	\$ -	\$ 642,383
Accounts Payable and Accrued Expenses	506,494	-	-	506,494
Deferred Revenue	293,500	-	-	293,500
Total Current Liabilities	<u>1,442,377</u>	<u>-</u>	<u>-</u>	<u>1,442,377</u>
<b>NET ASSETS</b>				
Without Donor Restrictions	5,285,832	2,506,458	-	7,792,290
With Donor Restrictions	270,401	-	-	270,401
Total Net Assets	<u>5,556,233</u>	<u>2,506,458</u>	<u>-</u>	<u>8,062,691</u>
Total Liabilities and Net Assets	<u>\$ 6,998,610</u>	<u>\$ 2,506,458</u>	<u>\$ -</u>	<u>\$ 9,505,068</u>

See Independent Auditor's Report on Supplementary Information.

USA BASEBALL  
Combining Statement of Financial Position  
December 31, 2020

ASSETS

	United States Baseball Federation, Inc.	Baseball America Foundation, Inc.	Eliminations	Total
<b>CURRENT ASSETS:</b>				
Cash	\$ 3,072,909	\$ 162,022	\$ -	\$ 3,234,931
Restricted Cash	138,305	-	-	138,305
Account Receivable	559,979	-	-	559,979
Inventories	797,324	-	-	797,324
Investments	-	2,253,256	-	2,253,256
Other Current Assets	317,217	2,318	-	319,535
Total Current Assets	<u>4,885,734</u>	<u>2,417,596</u>	-	<u>7,303,330</u>
<b>PROPERTY AND EQUIPMENT, net</b>	<u>236,410</u>	-	-	<u>236,410</u>
Total Assets	<u>\$ 5,122,144</u>	<u>\$ 2,417,596</u>	<u>\$ -</u>	<u>\$ 7,539,740</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>				
Bat Licensing Program	\$ 394,713	\$ -	\$ -	\$ 394,713
Accounts Payable and Accrued Expenses	189,635	-	-	189,635
Deferred Revenue	340,314	-	-	340,314
Total Current Liabilities	<u>924,662</u>	<u>-</u>	<u>-</u>	<u>924,662</u>
<b>NET ASSETS</b>				
Without Donor Restrictions	4,060,023	2,417,596	-	6,477,619
With Donor Restrictions	137,459	-	-	137,459
Total Net Assets	<u>4,197,482</u>	<u>2,417,596</u>	<u>-</u>	<u>6,615,078</u>
Total Liabilities and Net Assets	<u>\$ 5,122,144</u>	<u>\$ 2,417,596</u>	<u>\$ -</u>	<u>\$ 7,539,740</u>

See Independent Auditor's Report on Supplementary Information.

USA BASEBALL  
Combining Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2021

	United States Baseball Federation, Inc.			Baseball America Foundation, Inc.			Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
<b>REVENUES AND OTHER SUPPORT:</b>								
Major League Baseball Funding	\$ 1,462,323	\$ 1,462,323	\$ 2,924,646	\$ -	\$ -	\$ -	\$ -	\$ 2,924,646
Bat Licensing Program Royalties	2,901,674	-	2,901,674	-	-	-	-	2,901,674
Event Registration and Room Rebates	1,925,294	-	1,925,294	-	-	-	-	1,925,294
Merchandise Sale and Memorabilia	1,755,623	-	1,755,623	-	-	-	-	1,755,623
MLB/USAB Joint Events	1,541,663	-	1,541,663	-	-	-	-	1,541,663
MLB Combine	1,471,501	-	1,471,501	-	-	-	-	1,471,501
Prospect Development Pipeline	-	1,268,411	1,268,411	-	-	-	-	1,268,411
Sponsorships, Licensing, and Donations	1,016,025	203,500	1,219,525	-	-	-	-	1,219,525
MLB/USOC Professional Team	617,343	8,000	625,343	-	-	-	-	625,343
Ticket Sales	471,526	-	471,526	-	-	-	-	471,526
Value In-Kind Donations	226,552	5,066	231,618	-	-	-	-	231,618
Other Income	145,209	-	145,209	-	-	-	(100,000)	45,209
Membership and National Member Organization Revenue	4,613	-	4,613	-	-	-	-	4,613
SBA Paycheck Protection Program	-	614,870	614,870	-	-	-	-	614,870
Employee Tax Retention Credit	-	163,464	163,464	-	-	-	-	163,464
Dividends and Interest	35,497	-	35,497	2,418	-	2,418	-	37,915
Net Realized and Unrealized Gains on Investments	(43,541)	-	(43,541)	186,444	-	186,444	-	142,903
Total	<u>13,531,302</u>	<u>3,725,634</u>	<u>17,256,936</u>	<u>188,862</u>	<u>-</u>	<u>188,862</u>	<u>(100,000)</u>	<u>17,345,798</u>
Net Assets Released from Restrictions:								
Satisfaction of Program Restrictions	<u>3,592,692</u>	<u>(3,592,692)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Support	<u>17,123,994</u>	<u>132,942</u>	<u>17,256,936</u>	<u>188,862</u>	<u>-</u>	<u>188,862</u>	<u>(100,000)</u>	<u>17,345,798</u>
<b>EXPENSES AND DIRECT COSTS:</b>								
Expenses:								
Program Services	13,823,524	-	13,823,524	-	-	-	-	13,823,524
Management and General	1,069,178	-	1,069,178	100,000	-	100,000	(100,000)	1,069,178
Fundraising	135,859	-	135,859	-	-	-	-	135,859
Total Expenses	<u>15,028,561</u>	<u>-</u>	<u>15,028,561</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>(100,000)</u>	<u>15,028,561</u>
Direct Costs:								
Merchandise Sales	832,874	-	832,874	-	-	-	-	832,874
Card Sales and Fundraiser	36,750	-	36,750	-	-	-	-	36,750
Total Direct Costs	<u>869,624</u>	<u>-</u>	<u>869,624</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>869,624</u>
Total Expenses and Direct Costs	<u>15,898,185</u>	<u>-</u>	<u>15,898,185</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>(100,000)</u>	<u>15,898,185</u>
CHANGES IN NET ASSETS	1,225,809	132,942	1,358,751	88,862	-	88,862	-	1,447,613
NET ASSETS--Beginning of Year	<u>4,060,023</u>	<u>137,459</u>	<u>4,197,482</u>	<u>2,417,596</u>	<u>-</u>	<u>2,417,596</u>	<u>-</u>	<u>6,615,078</u>
NET ASSETS--End of Year	<u>\$ 5,285,832</u>	<u>\$ 270,401</u>	<u>\$ 5,556,233</u>	<u>\$ 2,506,458</u>	<u>\$ -</u>	<u>\$ 2,506,458</u>	<u>\$ -</u>	<u>\$ 8,062,691</u>

See Independent Auditor's Report on Supplementary Information.



USA BASEBALL  
Combining Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2020

	United States Baseball Federation, Inc.			Baseball America Foundation, Inc.			Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
<b>REVENUES AND OTHER SUPPORT:</b>								
Major League Baseball Funding	\$ 1,442,080	\$ 1,370,080	\$ 2,812,160	\$ -	\$ -	\$ -	\$ -	\$ 2,812,160
Bat Licensing Program Royalties	2,158,413	-	2,158,413	-	-	-	-	2,158,413
Event Registration and Room Rebates	156,610	-	156,610	-	-	-	-	156,610
Merchandise Sale and Memorabilia	705,938	-	705,938	-	-	-	-	705,938
MLB/USAB Joint Events	260,544	-	260,544	-	-	-	-	260,544
Prospect Development Pipeline	-	172,637	172,637	-	-	-	-	172,637
Sponsorships, Licensing, and Donations	908,829	203,000	1,111,829	-	-	-	-	1,111,829
MLB/USOC Professional Team	-	32,415	32,415	-	-	-	-	32,415
Ticket Sales	53,830	-	53,830	-	-	-	-	53,830
Value In-Kind Donations	268,209	-	268,209	-	-	-	-	268,209
Other Income	123,276	-	123,276	-	-	-	(60,000)	63,276
Membership and National Member Organization Revenue	6,175	-	6,175	-	-	-	-	6,175
SBA Paycheck Protection Program	-	650,200	650,200	-	-	-	-	650,200
Dividends and Interest	11,501	-	11,501	5,907	-	5,907	-	17,408
Net Realized and Unrealized Gains on Investments	-	-	-	329,846	-	329,846	-	329,846
Total	<u>6,095,405</u>	<u>2,428,332</u>	<u>8,523,737</u>	<u>335,753</u>	<u>-</u>	<u>335,753</u>	<u>(60,000)</u>	<u>8,799,490</u>
Net Assets Released from Restrictions:								
Satisfaction of Program Restrictions	<u>2,341,091</u>	<u>(2,341,091)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Support	<u>8,436,496</u>	<u>87,241</u>	<u>8,523,737</u>	<u>335,753</u>	<u>-</u>	<u>335,753</u>	<u>(60,000)</u>	<u>8,799,490</u>
<b>EXPENSES AND DIRECT COSTS:</b>								
Expenses:								
Program Services	6,733,832	-	6,733,832	-	-	-	-	6,733,832
Management and General	970,201	-	970,201	60,000	-	60,000	(60,000)	970,201
Fundraising	155,677	-	155,677	-	-	-	-	155,677
Total Expenses	<u>7,859,710</u>	<u>-</u>	<u>7,859,710</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>	<u>(60,000)</u>	<u>7,859,710</u>
Direct Costs:								
Merchandise Sales	321,608	-	321,608	-	-	-	-	321,608
Card Sales and Fundraiser	8,495	-	8,495	-	-	-	-	8,495
Total Direct Costs	<u>330,103</u>	<u>-</u>	<u>330,103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>330,103</u>
Total Expenses and Direct Costs	<u>8,189,813</u>	<u>-</u>	<u>8,189,813</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>	<u>(60,000)</u>	<u>8,189,813</u>
CHANGES IN NET ASSETS	246,683	87,241	333,924	275,753	-	275,753	-	609,677
NET ASSETS-- Beginning of Year	<u>3,813,340</u>	<u>50,218</u>	<u>3,863,558</u>	<u>2,141,843</u>	<u>-</u>	<u>2,141,843</u>	<u>-</u>	<u>6,005,401</u>
NET ASSETS--End of Year	<u>\$ 4,060,023</u>	<u>\$ 137,459</u>	<u>\$ 4,197,482</u>	<u>\$ 2,417,596</u>	<u>\$ -</u>	<u>\$ 2,417,596</u>	<u>\$ -</u>	<u>\$ 6,615,078</u>

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