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USA BASEBALL  
Combined Financial Statements  
December 31, 2020 and 2019

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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, 2020 and 2019, 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, 2020 and 2019, 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  
April 19, 2021

USA BASEBALL  
 Combined Statements of Financial Position  
 December 31, 2020 and 2019

ASSETS		2020	2019
CURRENT ASSETS:			
Cash	\$	3,234,931	\$ 2,270,223
Restricted Cash		138,305	322,919
Accounts Receivable		559,979	1,810,164
Inventories		797,324	634,970
Investments		2,253,256	1,990,871
Other Current Assets		319,535	267,945
Total Current Assets		7,303,330	7,297,092
PROPERTY AND EQUIPMENT, net		236,410	325,549
Total Assets	\$	7,539,740	\$ 7,622,641
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Bat Licensing Program	\$	394,713	\$ 793,752
Accounts Payable and Accrued Expenses		189,635	598,994
Deferred Revenue		340,314	224,494
Total Current Liabilities		924,662	1,617,240
NET ASSETS:			
Without Donor Restrictions		6,477,619	5,955,183
With Donor Restrictions		137,459	50,218
Total Net Assets		6,615,078	6,005,401
Total Liabilities and Net Assets	\$	7,539,740	\$ 7,622,641

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, 2020 and 2019

	2020			2019		
	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	\$ 1,422,000	\$ 1,282,000	\$ 2,704,000
Bat Licensing Program Royalties	2,158,413	-	2,158,413	3,967,963	-	3,967,963
Sponsorship, Licensing, and Donations	908,829	203,000	1,111,829	761,791	-	761,791
Merchandise Sales and Memorabilia	705,938	-	705,938	1,615,038	-	1,615,038
Value In-Kind Donations	268,209	-	268,209	712,827	-	712,827
MLB/USAB Joint Events	260,544	-	260,544	2,700,177	-	2,700,177
Prospect Development Pipeline	-	172,637	172,637	-	1,550,000	1,550,000
Event Registration and Room Rebates	156,610	-	156,610	2,225,456	-	2,225,456
Other Income	63,276	-	63,276	61,437	-	61,437
Ticket Sales	53,830	-	53,830	507,707	-	507,707
MLB/USOC Professional Team	-	32,415	32,415	387,418	-	387,418
Membership and National Member Org. Revenue	6,175	-	6,175	8,280	-	8,280
World Baseball Classic/P12 Tournament	-	-	-	410,000	-	410,000
Bat Licensing Program Fines	-	-	-	100,000	-	100,000
SBA Paycheck Protection Program	-	650,200	650,200	-	-	-
Dividends and Interest	17,408	-	17,408	106,327	-	106,327
Net Realized and Unrealized Gains on Investments	329,846	-	329,846	286,030	-	286,030
Total	<u>6,371,158</u>	<u>2,428,332</u>	<u>8,799,490</u>	<u>15,272,451</u>	<u>2,832,000</u>	<u>18,104,451</u>
Net Assets Released from Restrictions:						
Satisfaction of Program Restrictions	<u>2,341,091</u>	<u>(2,341,091)</u>	<u>-</u>	<u>2,952,950</u>	<u>(2,952,950)</u>	<u>-</u>
Total Revenues and Other Support	<u>8,712,249</u>	<u>87,241</u>	<u>8,799,490</u>	<u>18,225,401</u>	<u>(120,950)</u>	<u>18,104,451</u>
<b>EXPENSES AND DIRECT COSTS:</b>						
Expenses:						
Program Services	6,733,832	-	6,733,832	16,523,236	-	16,523,236
Management and General	970,201	-	970,201	1,074,205	-	1,074,205
Fundraising	155,677	-	155,677	-	-	-
Total Expenses	<u>7,859,710</u>	<u>-</u>	<u>7,859,710</u>	<u>17,597,441</u>	<u>-</u>	<u>17,597,441</u>
Direct Costs:						
Merchandise Sales	321,608	-	321,608	863,549	-	863,549
Card Sale Fundraiser	8,495	-	8,495	38,204	-	38,204
Total Direct Costs	<u>330,103</u>	<u>-</u>	<u>330,103</u>	<u>901,753</u>	<u>-</u>	<u>901,753</u>
Total Expenses and Direct Costs	<u>8,189,813</u>	<u>-</u>	<u>8,189,813</u>	<u>18,499,194</u>	<u>-</u>	<u>18,499,194</u>
CHANGES IN NET ASSETS	522,436	87,241	609,677	(273,793)	(120,950)	(394,743)
NET ASSETS--Beginning of Year - Restated	<u>5,955,183</u>	<u>50,218</u>	<u>6,005,401</u>	<u>6,228,976</u>	<u>171,168</u>	<u>6,400,144</u>
NET ASSETS--End 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>

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, 2020 and 2019

	2020				2019			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
<b>SALARIES AND</b>								
<b>EMPLOYEE RELATED EXPENSES:</b>								
Salaries	\$ 1,879,914	\$ 513,872	\$ 91,192	\$ 2,484,978	\$ 2,319,390	\$ 515,404	\$ -	\$ 2,834,794
Employee Related Expenses	512,624	126,823	24,150	663,597	590,847	100,205	-	691,052
Total Salaries and Employee Related Expenses	<u>2,392,538</u>	<u>640,695</u>	<u>115,342</u>	<u>3,148,575</u>	<u>2,910,237</u>	<u>615,609</u>	<u>-</u>	<u>3,525,846</u>
<b>OPERATING EXPENSES:</b>								
Bat Licensing Program	1,192,125	-	-	1,192,125	2,317,684	-	-	2,317,684
Professional Services	662,948	119,719	11,845	794,512	1,147,145	163,955	-	1,311,100
Insurance	399,859	35,120	-	434,979	380,068	39,926	-	419,994
Rent:								
Playing Facilities	355,620	-	-	355,620	828,225	-	-	828,225
Office Facilities	141,632	36,924	-	178,556	143,794	31,954	-	175,748
Travel	322,782	2,936	138	325,856	4,537,549	9,640	-	4,547,189
Value In-Kind Donations	268,209	-	-	268,209	707,740	5,087	-	712,827
BAF/MLB Awards	263,000	-	-	263,000	60,000	-	-	60,000
Depreciation	145,548	29,773	-	175,321	149,755	40,422	-	190,177
Program Supplies	144,048	15,714	2,106	161,868	1,014,992	32,119	-	1,047,111
Postage and Shipping	97,244	1,449	24,827	123,520	270,603	1,738	-	272,341
Honorarium/Umpire Fees	95,517	-	-	95,517	1,313,006	-	-	1,313,006
Printing	59,226	4,553	-	63,779	141,053	4,426	-	145,479
Other	47,649	11,171	24	58,844	84,074	11,321	-	95,395
Telephone	26,470	24,369	595	51,434	46,934	16,016	-	62,950
SafeSport	39,200	-	-	39,200	36,520	-	-	36,520
Bank Service Charges	35,042	1,161	645	36,848	79,443	783	-	80,226
Office Supplies and Utilities	23,317	10,959	5	34,281	45,234	16,602	-	61,836
Promotions/Shows	21,858	10,425	150	32,433	86,903	5,544	-	92,447
Accounting	-	15,000	-	15,000	-	15,410	-	15,410
Meeting/Directors Expense	-	9,250	-	9,250	-	57,749	-	57,749
MLB/USOC Relations	-	983	-	983	6,940	2,621	-	9,561
World Baseball Classic/P12 Tournament Players	-	-	-	-	205,000	-	-	205,000
Medical and Safety	-	-	-	-	7,257	-	-	7,257
International Relations (IBAF/COPABE)	-	-	-	-	3,080	3,283	-	6,363
Total Operating Expenses	<u>4,341,294</u>	<u>329,506</u>	<u>40,335</u>	<u>4,711,135</u>	<u>13,612,999</u>	<u>458,596</u>	<u>-</u>	<u>14,071,595</u>
Total Functional Expenses	<u>\$ 6,733,832</u>	<u>\$ 970,201</u>	<u>\$ 155,677</u>	<u>\$ 7,859,710</u>	<u>\$ 16,523,236</u>	<u>\$ 1,074,205</u>	<u>\$ -</u>	<u>\$ 17,597,441</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, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$ 609,677	\$ (394,743)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	175,321	190,177
Net Realized Gains on Investments	(329,846)	(286,030)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	1,250,185	(492,988)
Inventories	(162,354)	(117,562)
Other Current Assets	(51,590)	(67,061)
Bat Licensing Program	(399,039)	(136,590)
Accounts Payable and Accrued Expenses	(409,359)	178,732
Deferred Revenue	115,820	27,789
Net Cash Provided (Used) by Operating Activities:	798,815	(1,098,276)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property and Equipment	(86,182)	(105,145)
Proceeds from Sale of Investments	627,875	248,952
Purchases of Investments	(560,414)	(713,810)
Net Cash Used by Investing Activities:	(18,721)	(570,003)
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	780,094	(1,668,279)
CASH AND RESTRICTED CASH--Beginning of Year	2,593,142	4,261,421
CASH AND RESTRICTED CASH--End of Year	\$ 3,373,236	\$ 2,593,142

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



USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2020 and 2019

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, 2020 and 2019

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, 2020 and 2019, 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 12).

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

	2020	2019
Current Assets:		
Cash	\$ 3,234,931	\$ 2,270,223
Restricted Cash	138,305	322,919
	\$ 3,373,236	\$ 2,593,142

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, 2020 and 2019

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, 2020 or 2019.

K. Advertising:

USAB follows the policy of charging the costs of advertising to expense as incurred. Advertising costs were \$32,433 and \$92,447 for the years ended December 31, 2020 and 2019, 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, 2020 and 2019, 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, 2020 and 2019

1. Summary of Significant Accounting Policies (Concluded)

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. Cash Concentrations

At December 31, 2020 and 2019 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 \$3,047,602 and \$2,207,800 at December 31, 2020 and 2019, respectively.

3. Donated Goods

Donated goods are valued at fair market value. USAB received \$268,209 and \$712,827 of noncash contributions of goods during the years ended December 31, 2020 and 2019, respectively.

4. Property and Equipment

Property and equipment consist of the following:

	2020	2019
Furniture and Equipment	\$ 1,135,964	\$ 1,056,696
Accumulated Depreciation	(899,554)	(731,147)
Property and Equipment, net	<u>\$ 236,410</u>	<u>\$ 325,549</u>

5. 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, 2020 and 2019, there was no amount owed under this line of credit.

6. Investments

At December 31, 2020 and 2019, USAB's investments were held at and managed in one brokerage account. All investments were measured at fair value and include common stocks, exchange-traded and closed-end funds, corporate bonds, government securities, and mutual funds.

USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2020 and 2019

6. Investments (Concluded)

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
Government Securities	247,499	256,935
Corporate Bonds	174,060	180,033
	<u>\$ 1,687,675</u>	<u>\$ 2,253,256</u>

Investments of USAB at December 31, 2019 consisted of the following:

	Historical Costs	Fair Value
Equity Securities	\$ 681,824	\$ 871,834
Mutual Funds	367,986	378,216
Exchange Traded and Closed-End Funds	277,329	366,710
Government Securities	218,096	221,890
Corporate Bonds	150,450	152,221
	<u>\$ 1,695,685</u>	<u>\$ 1,990,871</u>

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.

7. 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.

USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2020 and 2019

7. Fair Value (Continued)

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
Government Securities	256,935	-	-	256,935
Corporate Bonds	180,033	-	-	180,033
	<u>\$ 2,253,256</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,253,256</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, 2019:

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total
Equity Securities	\$ 871,834	\$ -	\$ -	\$ 871,834
Mutual Funds	378,216	-	-	378,216
Exchange Traded and Closed-End Funds	366,710	-	-	366,710
Government Securities	221,890	-	-	221,890
Corporate Bonds	152,221	-	-	152,221
	<u>\$ 1,990,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,990,871</u>

8. Leases

USAB leases certain equipment under leases expiring in December 2020. Equipment lease expense was \$4,783 and \$8,950 for the years ended December 31, 2020 and 2019, 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. The remaining lease term is 12 months. Lease expense was \$47,586 and \$46,181 for the years ended December 31, 2020 and 2019, 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 \$178,556 and \$175,748 for the years ended December 31, 2020 and 2019.

USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2020 and 2019

8. Leases (Continued)

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

Years Ending December 31	
2021	\$ 103,100
2022	1,425
2023	1,425
	<u>\$ 105,950</u>

9. 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, 2020 and 2019, which are included in rent–playing facilities in the combined statement of functional expenses. Additional rent payments, for the years ended December 31, 2020 and 2019, respectively, of \$0 and \$19,809 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.

10. 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 \$90,083 and \$102,978 for the years ended December 31, 2020 and 2019, respectively.

11. 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 will receive annual funding for its operations from the Office of the Commissioner of Baseball, with the minimum amounts as follows:

2021	\$ 2,924,646
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There is also revenue sharing between the entities in this agreement.

USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2020 and 2019

12. 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 \$394,713 and \$793,752 are included in bat licensing program on the combined statement of financial position at December 31, 2020 and 2019, respectively.

USAB retains 2.25% of the 5% of royalties received from the bat manufacturer's agreements. During 2020 and 2019, USAB earned bat licensing program income of \$2,158,413 and \$3,967,963, respectively.

During 2019, USAB imposed fines of \$100,000 for violations of the bat licensing agreement, which the manufacturers paid in full.

13. Net Assets Without Donor Restrictions

Net assets without donor restrictions at December 31, 2020 and 2019 are as follows:

	2020	2019
Undesignated	\$ 6,345,132	\$ 5,822,696
Board Designated - USAB Develops	132,487	132,487
	<u>\$ 6,477,619</u>	<u>\$ 5,955,183</u>

14. Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2020 and 2019 are available for the following purposes:

	2020	2019
USAB Develops	\$ 105,044	\$ -
USOC Pro Team	32,415	-
Prospect Development Pipeline	-	50,218
	<u>\$ 137,459</u>	<u>\$ 50,218</u>



USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2020 and 2019

15. 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, 2020 and 2019 were as follows:

	2020	2019
USAB Develops	\$ 1,468,036	\$ 1,453,168
Prospect Development Pipeline	222,855	1,499,782
Paycheck Protection Program	650,200	-
	<u>\$ 2,341,091</u>	<u>\$ 2,952,950</u>

16. 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, 2020 and 2019 are as follows:

	2020	2019
Endowment Net Assets at January 1	\$ <u>2,141,843</u>	\$ <u>1,276,795</u>
Investment Return:		
Investment Income, net	5,907	14,018
Net Appreciation (Depreciation):		
Realized and Unrealized	<u>329,846</u>	<u>286,030</u>
Total Investment Return	<u>335,753</u>	<u>300,048</u>
Reclassifications	-	-
Contributions	-	625,000
Other Expense	-	-
Amount Appropriated for Expenditure	<u>(60,000)</u>	<u>(60,000)</u>
Endowment Net Assets at December 31	<u>\$ 2,417,596</u>	<u>\$ 2,141,843</u>

USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2020 and 2019

16. 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.

17. 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, 2020 and 2019 expected to be available within one year to meet the cash needs for general expenditures:

	<u>2020</u>	<u>2019</u>
Financial assets available within one year:		
Cash	\$ 3,373,236	\$ 2,593,142
Accounts Receivable	559,979	1,810,164
Investments	<u>2,253,256</u>	<u>1,990,871</u>
Financial assets, at year end	6,186,471	6,394,177
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Contractual restrictions	138,305	322,919
Restricted by donor with purpose restrictions	137,459	50,218
Board Designated	<u>132,487</u>	<u>132,487</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,778,220</u>	<u>\$ 5,888,553</u>

USA BASEBALL  
Notes to Combined Financial Statements  
December 31, 2020 and 2019

18. 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.

The Loan is evidenced by a promissory note dated April 17, 2020 and matures two years from the disbursement date and bears interest at a fixed rate of 1.000% per annum, with interest deferred during the loan forgiveness period of twenty-four weeks and an additional ten months. The application for forgiveness must be received within ten months after the end of the loan forgiveness covered period or principal and interest payments will commence. The loan may be prepaid by USAB at any time prior to maturity with no prepayment penalties. However, USAB must give the lender written notice and pay all accrued interest in the event the Loan has been sold on the secondary market and it prepays more than twenty percent of the unpaid principal balance.

Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of loans granted under PPP. The Loan is subject to forgiveness to the extent proceeds are used for payroll costs, including payments required to continue group health care benefits, and certain rent, utility, and mortgage interest expenses (collectively, Qualifying Expenses), pursuant to the terms and limitations of the PPP. USAB used all of the Loan amount for Qualifying Expenses and expects the loan to be fully forgiven. USAB applied for full forgiveness on January 3, 2021. However, no assurance is provided that USAB will obtain forgiveness of the Loan in whole or in part. Loan forgiveness revenue of \$650,200 was recognized as SBA Paycheck Protection Program income.

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. The same terms apply to this Second Draw PPP loan as the original loan.

19. 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.

20. Subsequent Events

USAB evaluated the events and transactions subsequent to its December 31, 2020 combined statement of financial position date and determined there were no significant events to report through April 19, 2021, 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, 2020 and 2019, and have issued our report thereon dated April 19, 2021, 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  
April 19, 2021

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USA BASEBALL  
Combining Statement of Financial Position  
December 31, 2020

ASSETS

	United States Baseball Federation, Inc.	Baseball America Foundation, Inc.	Eliminations	Total
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<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>-</u>	<u>7,303,330</u>
 <b>PROPERTY AND EQUIPMENT, net</b>	 <u>236,410</u>	 <u>-</u>	 <u>-</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 Financial Position  
December 31, 2019

ASSETS

	United States Baseball Federation, Inc.	Baseball America Foundation, Inc.	Eliminations	Total
<b>CURRENT ASSETS:</b>				
Cash	\$ 2,121,761	\$ 148,462	\$ -	\$ 2,270,223
Restricted Cash	322,919	-	-	322,919
Account Receivable	1,810,164	-	-	1,810,164
Inventories	634,970	-	-	634,970
Investments	-	1,990,871	-	1,990,871
Other Current Assets	265,435	2,510	-	267,945
Total Current Assets	<u>5,155,249</u>	<u>2,141,843</u>	<u>-</u>	<u>7,297,092</u>
<b>PROPERTY AND EQUIPMENT, net</b>	<u>325,549</u>	<u>-</u>	<u>-</u>	<u>325,549</u>
Total Assets	<u>\$ 5,480,798</u>	<u>\$ 2,141,843</u>	<u>\$ -</u>	<u>\$ 7,622,641</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>				
Bat Licensing Program	\$ 793,752	\$ -	\$ -	\$ 793,752
Accounts Payable and Accrued Expenses	598,994	-	-	598,994
Deferred Revenue	224,494	-	-	224,494
Total Current Liabilities	<u>1,617,240</u>	<u>-</u>	<u>-</u>	<u>1,617,240</u>
<b>NET ASSETS</b>				
Without Donor Restrictions	3,813,340	2,141,843	-	5,955,183
With Donor Restrictions	50,218	-	-	50,218
Total Net Assets	<u>3,863,558</u>	<u>2,141,843</u>	<u>-</u>	<u>6,005,401</u>
Total Liabilities and Net Assets	<u>\$ 5,480,798</u>	<u>\$ 2,141,843</u>	<u>\$ -</u>	<u>\$ 7,622,641</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		
REVENUES AND OTHER SUPPORT:								
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
Sponsorships, Licensing, and Donations	908,829	203,000	1,111,829	-	-	-	-	1,111,829
Merchandise Sale and Memorabilia	705,938	-	705,938	-	-	-	-	705,938
Value In-Kind Donations	268,209	-	268,209	-	-	-	-	268,209
MLB/USAB Joint Events	260,544	-	260,544	-	-	-	-	260,544
Prospect Development Pipeline	-	172,637	172,637	-	-	-	-	172,637
Event Registration and Room Rebates	156,610	-	156,610	-	-	-	-	156,610
Other Income	123,276	-	123,276	-	-	-	(60,000)	63,276
Ticket Sales	53,830	-	53,830	-	-	-	-	53,830
MLB/USOC Professional Team	-	32,415	32,415	-	-	-	-	32,415
Membership and National Member Organization Revenue	6,175	-	6,175	-	-	-	-	6,175
World Baseball Classic/P12 Tournament	-	-	-	-	-	-	-	-
Bat Licensing Program Fines	-	-	-	-	-	-	-	-
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>
EXPENSES AND DIRECT COSTS:								
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>

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, 2019

	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		
REVENUES AND OTHER SUPPORT:								
Major League Baseball Funding	\$ 1,422,000	\$ 1,282,000	\$ 2,704,000	\$ -	\$ -	\$ -	\$ -	\$ 2,704,000
Bat Licensing Program Royalties	3,967,963	-	3,967,963	-	-	-	-	3,967,963
Sponsorships, Licensing, and Donations	761,791	-	761,791	-	-	-	-	761,791
Merchandise Sale and Memorabilia	1,615,038	-	1,615,038	-	-	-	-	1,615,038
Value In-Kind Donations	712,827	-	712,827	-	-	-	-	712,827
MLB/USAB Joint Events	2,700,177	-	2,700,177	-	-	-	-	2,700,177
Prospect Development Pipeline	-	1,550,000	1,550,000	-	-	-	-	1,550,000
Event Registration and Room Rebates	2,225,456	-	2,225,456	-	-	-	-	2,225,456
Other Income	121,436	-	121,436	625,000	-	625,000	(685,000)	61,436
Ticket Sales	507,707	-	507,707	-	-	-	-	507,707
MLB/USOC Professional Team	387,418	-	387,418	-	-	-	-	387,418
Membership and National Member Organization Revenue	8,280	-	8,280	-	-	-	-	8,280
World Baseball Classic/P12 Tournament	410,000	-	410,000	-	-	-	-	410,000
Bat Licensing Program Fines	100,000	-	100,000	-	-	-	-	100,000
Dividends and Interest	92,310	-	92,310	14,018	-	14,018	-	106,328
Net Realized and Unrealized Gains on Investments	-	-	-	286,030	-	286,030	-	286,030
Total	<u>15,032,403</u>	<u>2,832,000</u>	<u>17,864,403</u>	<u>925,048</u>	<u>-</u>	<u>925,048</u>	<u>(685,000)</u>	<u>18,104,451</u>
Net Assets Released from Restrictions:								
Satisfaction of Program Restrictions	<u>2,952,950</u>	<u>(2,952,950)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Support	<u>17,985,353</u>	<u>(120,950)</u>	<u>17,864,403</u>	<u>925,048</u>	<u>-</u>	<u>925,048</u>	<u>(685,000)</u>	<u>18,104,451</u>
EXPENSES AND DIRECT COSTS:								
Expenses:								
Program Services	16,523,236	-	16,523,236	-	-	-	-	16,523,236
Management and General	1,699,205	-	1,699,205	60,000	-	60,000	(685,000)	1,074,205
Total Expenses	<u>18,222,441</u>	<u>-</u>	<u>18,222,441</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>	<u>(685,000)</u>	<u>17,597,441</u>
Direct Costs:								
Merchandise Sales	863,549	-	863,549	-	-	-	-	863,549
Card Sales and Fundraiser	38,204	-	38,204	-	-	-	-	38,204
Total Direct Costs	<u>901,753</u>	<u>-</u>	<u>901,753</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>901,753</u>
Total Expenses and Direct Costs	<u>19,124,194</u>	<u>-</u>	<u>19,124,194</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>	<u>(685,000)</u>	<u>18,499,194</u>
CHANGES IN NET ASSETS	(1,138,841)	(120,950)	(1,259,791)	865,048	-	865,048	-	(394,743)
NET ASSETS-- Beginning of Year	<u>4,952,181</u>	<u>171,168</u>	<u>5,123,349</u>	<u>1,276,795</u>	<u>-</u>	<u>1,276,795</u>	<u>-</u>	<u>6,400,144</u>
NET ASSETS--End 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>

See Independent Auditor's Report on Supplementary Information.