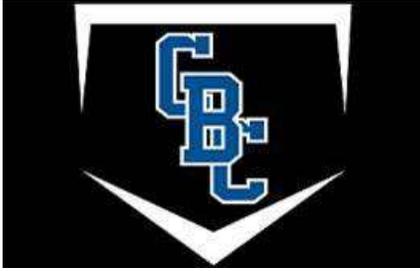


6-11-2018



On May 9, 2018, some allegations were made related to the Chelsea Baseball Club (CBC) and its business practices. Then again on June 4, 2018, a post with additional comments were made on Chelsea's Community Facebook Page related to the CBC which challenged the integrity of the organization by referencing its 2016 Form 990. As a result of these allegations, an internal audit was conducted through the organization's CPA. This audit uncovered several immaterial mistakes listed on the 2016 Form 990, but none of these errors were deemed to negatively impact the intent or integrity of the organization. Below is a summary of the corrections that were made and supported by the financial records of the organization:

1. The 2016 Form 990 listed Michael Stallings as the Director of the CBC. From its inception, Michael Stallings has not been a member of the Board or an employee of the organization but has simply served as an advisor to insure that the intended mission/vision of the organization was fulfilled.
2. There was a reference to \$3,000 of W2 Income issued to Michael Stallings for his services as Director. This was an error and misstated by CPA. These funds were distributed to Michael Stallings for services rendered to the organization's intended recipients (ie. athletes who are served through the CBC). Specifically, these funds were distributed to the High School Coaching Staff for their services during the CBC Summer Program.

Attached is the amended 2016 Form 990. We are working with our accountant now to finalize the 2017 Form 990 in accordance with IRS regulations.

In addition, there was a reference to the CBC's business practices related to how funds are being used. From its inception, the CBC has been committed to the athletic and "life skills" development for each athlete in which it serves. While this incorporates utilizing the principles and strategies used by Chelsea High School and Chelsea Middle School baseball teams, it also includes a continued investment in the facilities and resources to make this possible at the highest level. For your review, we have compiled a list of the investments made since the founding of the Chelsea Baseball Club in 2012. In the near future, our annual budgets, financial statements and organizational updates will be posted to CBC website <http://www.chelseabaseballclub.com/>

CBC Financial Expenses and Capital Improvements 2013-Present

2013:

High School Baseball Locker Room Materials - \$2500

2014:

Painted Pressbox Hwy47 - \$1500

Purchased Dirt for Middle School Field - \$2500
Middle School Field Conversion 54/80 - \$3000
High School Lawn Mower Shed - \$2300

2015:

Resurfaced Field 4 HWY 47 - \$2500
Middle School Field Conditioner and Mound Clay - \$1000
High School Electrical/Lighting at Covered Batting Cages - \$4000
High School Softball Field Rental - \$1500
High School Field Maintenance (Edge Work, Rebuilding Mound and Home Plate Area, Adding Dirt, and Warning Track) - \$7000

2016:

High School Back Stop Netting - \$27,000
High School Wind Screen - \$2500
Big Bubba Portable Backstop (CBC Golf Tournament) - \$6000
High School Softball Field Rental - \$1500

2017:

High School Baseball Playoffs - Paid for Hotel rooms in Dothan and Team Meals - \$3000

2018:

High School Turf Bull Pen - \$22,000
Middle School Facility Upgrade (Replacing Lights and Ballasts) - \$4000
High School Baseball Team Meals and Team Bowling - \$1500

As it relates to our Board of Directors, the CBC initially had 3 Board Members and over the years the CBC coaches have met two times annually related to decision making for the upcoming year. In 2018, the CBC will make adjustments to its board structure in an effort to improve communication, strengthen accountability and enhance the overall experience for each athlete and their family. This will incorporate more involvement from CBC Coaches and the Team's represented. Details of this will be announced during a Coaches/Advisory Council meeting to be held in August, 2018.

Thank you for your continued support of the CBC!

CBC Organization

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