

**Little League Baseball,
Incorporated and
Controlled Entities**

**Combined Financial Statements
September 30, 2018 and 2017**



Report of Independent Auditors

To the Board of Directors of Little League Baseball, Incorporated

We have audited the accompanying combined financial statements of Little League Baseball, Incorporated, Little League Baseball Poland Foundation (Williamsport) and Little League Baseball Poland Foundation (Poland), which comprise the combined statements of financial position as of September 30, 2018 and 2017, and the related combined statements of activities and changes in net assets, of functional expenses and of cash flows for the years then ended.

Management's Responsibility for the Combined 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Little League Baseball, Incorporated, Little League Baseball Poland Foundation (Williamsport) and Little League Baseball Poland Foundation (Poland) as of September 30, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
January 31, 2019

Little League Baseball, Incorporated and Controlled Entities
Combined Statements of Financial Position
September 30, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	\$ 10,103,434	\$ 9,538,084
Trade accounts receivable, net	493,834	666,181
Interest receivable	2	52
Inventories	584,939	750,761
Supplies, prepaid expenses and other assets	987,952	1,047,925
Investments, at fair value	36,937,426	35,124,251
Land, building and equipment, net	36,778,109	37,352,131
Collections, net	1,292,416	1,337,687
Assets temporarily restricted as to use	159,275	159,120
Total assets	<u>\$ 87,337,387</u>	<u>\$ 85,976,192</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 1,949,206	\$ 609,172
Holiday savings plan	203,467	169,339
Deferred revenue	625,500	79,225
Due to leagues	1,311,868	1,266,270
Other postretirement benefits	3,417,368	3,475,619
Total liabilities	<u>7,507,409</u>	<u>5,599,625</u>
Net assets		
Unrestricted	79,670,703	80,217,447
Temporarily restricted	159,275	159,120
Total net assets	<u>79,829,978</u>	<u>80,376,567</u>
Total liabilities and net assets	<u>\$ 87,337,387</u>	<u>\$ 85,976,192</u>

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

Little League Baseball, Incorporated and Controlled Entities
Combined Statement of Activities and Changes in Net Assets
Year Ended September 30, 2018

	Unrestricted	Temporarily Restricted	Total
Support, revenues and gains			
Support			
Contributions from			
Public	\$ 834,790	\$ -	\$ 834,790
Local Little Leagues	3,575,310	-	3,575,310
Total support	<u>4,410,100</u>	<u>-</u>	<u>4,410,100</u>
Revenues and gains			
Charter fees and membership enrollment	1,263,863	-	1,263,863
Royalties, rights, license fees and corporate sponsors	11,184,305	-	11,184,305
Service fee for administration of group accident and liability insurance covering local little leagues	919,568	-	919,568
Summer camp	482,458	-	482,458
World Series/tournaments/special activities	11,725,874	-	11,725,874
Sale of copyrighted supplies	2,761,385	-	2,761,385
Peter J. McGovern Museum admissions	74,398	-	74,398
League publications	62,350	-	62,350
Interest and dividends	228,353	155	228,508
Net realized and unrealized gain on investments	1,649,231	-	1,649,231
Miscellaneous revenue	93,915	-	93,915
Gain on disposal of assets	7,619	-	7,619
Total revenues and gains	<u>30,453,319</u>	<u>155</u>	<u>30,453,474</u>
Total support, revenues and gains	<u>34,863,419</u>	<u>155</u>	<u>34,863,574</u>
Expenses			
Program services			
League operations	17,191,187	-	17,191,187
World series/tournaments/special activities	13,565,595	-	13,565,595
Peter J. McGovern Museum	829,613	-	829,613
Total program services	<u>31,586,395</u>	<u>-</u>	<u>31,586,395</u>
Supporting services			
Administrative services	4,079,137	-	4,079,137
Total expenses	<u>35,665,532</u>	<u>-</u>	<u>35,665,532</u>
Change in other postretirement benefits	255,369	-	255,369
Change in net assets	<u>(546,744)</u>	<u>155</u>	<u>(546,589)</u>
Net assets			
Beginning of year	80,217,447	159,120	80,376,567
End of year	<u>\$ 79,670,703</u>	<u>\$ 159,275</u>	<u>\$ 79,829,978</u>

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

Little League Baseball, Incorporated and Controlled Entities
Combined Statement of Activities and Changes in Net Assets
Year Ended September 30, 2017

	Unrestricted	Temporarily Restricted	Total
Support, revenues and gains			
Support			
Contributions from			
Public	\$ 597,773	\$ 36,500	\$ 634,273
Local Little Leagues	3,724,383	-	3,724,383
Total support	<u>4,322,156</u>	<u>36,500</u>	<u>4,358,656</u>
Revenues and gains			
Charter fees and membership enrollment	1,315,232	-	1,315,232
Royalties, rights, license fees and corporate sponsors (net of commissions of \$675,715)	10,321,018	-	10,321,018
Service fee for administration of group accident and liability insurance covering local little leagues	959,866	-	959,866
Summer camp	521,172	-	521,172
World Series/tournaments/special activities	11,526,114	-	11,526,114
Sale of copyrighted supplies (net of cost of \$595,038)	2,134,040	-	2,134,040
Peter J. McGovern Museum admissions	73,583	-	73,583
League publications	63,950	-	63,950
Interest and dividends	124,768	137	124,905
Net realized and unrealized gain on investments	1,683,117	-	1,683,117
Miscellaneous revenue	22,539	-	22,539
	<u>28,745,399</u>	<u>137</u>	<u>28,745,536</u>
Total revenues and gains	<u>28,745,399</u>	<u>137</u>	<u>28,745,536</u>
Total support, revenues and gains	<u>33,067,555</u>	<u>36,637</u>	<u>33,104,192</u>
Expenses			
Program services			
League operations	15,292,920	-	15,292,920
World series/tournaments/special activities	10,946,912	-	10,946,912
Peter J. McGovern Museum	856,929	-	856,929
Total program services	<u>27,096,761</u>	<u>-</u>	<u>27,096,761</u>
Supporting services			
Administrative services	<u>3,248,729</u>	<u>-</u>	<u>3,248,729</u>
Total expenses	30,345,490	-	30,345,490
Change in other postretirement benefits	<u>(198,595)</u>	<u>-</u>	<u>(198,595)</u>
Change in net assets	2,920,660	36,637	2,957,297
Net assets			
Beginning of year	<u>77,296,787</u>	<u>122,483</u>	<u>77,419,270</u>
End of year	<u>\$ 80,217,447</u>	<u>\$ 159,120</u>	<u>\$ 80,376,567</u>

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

Little League Baseball, Incorporated and Controlled Entities
Combined Statements of Cash Flows
Years Ended September 30, 2018 and 2017

	2018	2017
Cash flows from operating activities		
Change in net assets	\$ (546,589)	\$ 2,957,297
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	3,387,735	3,280,803
Net realized and unrealized gain on investments	(1,649,231)	(1,683,117)
Interest and dividends received on investments	(228,508)	(124,905)
Change in other postretirement benefits	(58,251)	25,379
(Gain) loss on disposal of fixed assets	(8,420)	643,057
Changes in assets and liabilities		
Trade accounts receivable	172,347	(108,006)
Interest receivable	50	(1)
Inventories	165,822	(148,365)
Supplies, prepaid expenses and other assets	59,973	(18,752)
Accounts payable and accrued expenses	1,340,034	105,218
Holiday savings plan	34,128	2,802
Deferred revenue	546,275	(62,275)
Due to leagues	45,598	(6,740)
Net cash provided by operating activities	<u>3,260,963</u>	<u>4,862,395</u>
Cash flows from investing activities		
Purchases of land, building and equipment	(2,706,033)	(1,784,994)
Purchases of collections	(62,409)	-
Proceeds from sale of equipment	8,420	611,598
Purchases of investments	(1,247,505)	(998,395)
Proceeds from sale of investments	1,312,069	1,043,084
Change in assets temporarily/permanently restricted as to use	(155)	(36,637)
Net cash used in investing activities	<u>(2,695,613)</u>	<u>(1,165,344)</u>
Net increase in cash and cash equivalents	565,350	3,697,051
Cash and cash equivalents		
Beginning of year	<u>9,538,084</u>	<u>5,841,033</u>
End of year	<u>\$ 10,103,434</u>	<u>\$ 9,538,084</u>

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