

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

**Combined Financial Statements  
As of September 30, 2017 and 2016 and  
For the Years Ended September 30, 2017 and 2016**



## **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, 2017 and 2016, 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, 2017 and 2016, 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 12, 2018

**Little League Baseball, Incorporated and Controlled Entities**  
**Combined Statements of Financial Position**  
**September 30, 2017 and 2016**

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	<b>2017</b>	<b>2016</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 9,538,084	\$ 5,841,033
Trade accounts receivable, net	666,181	558,175
Interest receivable	52	52
Inventories	750,761	602,396
Supplies, prepaid expenses and other assets	1,047,925	1,029,173
Investments, at fair value	35,124,251	33,360,918
Land, building and equipment, net	38,689,818	41,440,282
Assets temporarily restricted as to use	159,120	122,483
<b>Total assets</b>	<b>\$ 85,976,192</b>	<b>\$ 82,954,512</b>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 609,172	\$ 503,955
Holiday savings plan	169,339	166,537
Deferred revenue	79,225	141,500
Due to leagues	1,266,270	1,273,010
Other postretirement benefits	3,475,619	3,450,240
<b>Total liabilities</b>	<b>5,599,625</b>	<b>5,535,242</b>
<b>Net assets</b>		
Unrestricted	80,217,447	77,296,787
Temporarily restricted	159,120	122,483
<b>Total net assets</b>	<b>80,376,567</b>	<b>77,419,270</b>
<b>Total liabilities and net assets</b>	<b>\$ 85,976,192</b>	<b>\$ 82,954,512</b>

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**

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	Unrestricted	Temporarily Restricted	Total
<b>Support, revenues and gains</b>			
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>
<b>Revenues and gains</b>			
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
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>
<b>Expenses</b>			
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>
<b>Supporting services</b>			
Administrative services	3,248,729	-	3,248,729
Total expenses	<u>30,345,490</u>	<u>-</u>	<u>30,345,490</u>
Change in other postretirement benefits	(198,595)	-	(198,595)
Change in net assets	<u>2,920,660</u>	<u>36,637</u>	<u>2,957,297</u>
<b>Net assets</b>			
Beginning of year	77,296,787	122,483	77,419,270
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 Statement of Activities and Changes in Net Assets**  
**Year Ended September 30, 2016**

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	Unrestricted	Temporarily Restricted	Total
<b>Support, revenues and gains</b>			
Support			
Contributions from			
Public	\$ 412,018	\$ -	\$ 412,018
Local Little Leagues	4,054,840	-	4,054,840
Total support	<u>4,466,858</u>	-	<u>4,466,858</u>
<b>Revenues and gains</b>			
Charter fees and membership enrollment	1,324,060	-	1,324,060
Royalties, rights, license fees and corporate sponsors (net of commissions of \$644,805)	7,504,619	-	7,504,619
Service fee for administration of group accident and liability insurance covering local Little Leagues	962,732	-	962,732
Summer camp	515,865	-	515,865
World Series/tournaments/special activities	11,334,684	-	11,334,684
Sale of copyrighted supplies (net of cost of \$712,012)	1,774,368	-	1,774,368
Peter J. McGovern Museum admissions	78,502	-	78,502
League publications	66,650	-	66,650
Interest and dividends	78,423	126	78,549
Net realized and unrealized loss on investments	1,344,215	-	1,344,215
Miscellaneous revenue	43,843	-	43,843
Gain on disposal of fixed assets	6,977	-	6,977
Net assets released from restrictions	16,500	(16,500)	-
Total revenues and gains	<u>25,051,438</u>	<u>(16,374)</u>	<u>25,035,064</u>
Total support, revenues and gains	<u>29,518,296</u>	<u>(16,374)</u>	<u>29,501,922</u>
<b>Expenses</b>			
Program services			
League operations	14,226,606	-	14,226,606
World series/tournaments/special activities	11,488,488	-	11,488,488
Peter J. McGovern Museum	654,287	-	654,287
Total program services	<u>26,369,381</u>	-	<u>26,369,381</u>
Supporting services			
Administrative services	3,713,785	-	3,713,785
Total expenses	<u>30,083,166</u>	-	<u>30,083,166</u>
Change in other postretirement benefits	<u>252,028</u>	-	<u>252,028</u>
Change in net assets	<u>(816,898)</u>	<u>(16,374)</u>	<u>(833,272)</u>
<b>Net assets</b>			
Beginning of year	<u>78,113,685</u>	<u>138,857</u>	<u>78,252,542</u>
End of year	<u>\$ 77,296,787</u>	<u>\$ 122,483</u>	<u>\$ 77,419,270</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, 2017 and 2016**

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	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 2,957,297	\$ (833,272)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	3,280,803	3,496,260
Net realized and unrealized gain on investments	(1,683,117)	(1,344,215)
Interest and dividends received on investments	(124,905)	(78,549)
Change in other postretirement benefits	25,379	452,504
Loss (gain) on disposal of fixed assets	643,057	(6,977)
Changes in assets and liabilities		
Trade accounts receivable	(108,006)	(56,567)
Interest receivable	(1)	36
Inventories	(148,365)	3,191
Supplies, prepaid expenses and other assets	(18,752)	(117,435)
Accounts payable and accrued expenses	105,218	(192,285)
Holiday savings plan	2,802	12,803
Deferred revenue	(62,275)	(105,350)
Due to Leagues	(6,740)	(95,912)
Net cash provided by operating activities	<hr/> 4,862,395	<hr/> 1,134,232
<b>Cash flows from investing activities</b>		
Purchases of land, building and equipment	(1,784,994)	(1,274,148)
Proceeds from sale of equipment	611,598	6,977
Purchases of investments	(998,395)	(981,394)
Proceeds from sale of investments	1,043,084	1,091,126
Change in assets temporarily/permanently restricted as to use	<hr/> (36,637)	<hr/> 16,374
Net cash used in investing activities	<hr/> (1,165,344)	<hr/> (1,141,065)
Net increase (decrease) in cash and cash equivalents	<hr/> 3,697,051	<hr/> (6,833)
<b>Cash and cash equivalents</b>		
Beginning of year	<hr/> 5,841,033	<hr/> 5,847,866
End of year	<hr/> \$ 9,538,084	<hr/> \$ 5,841,033

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