

Little League Baseball, Incorporated and Controlled Entities

**Combined Financial Statements
September 30, 2019 and 2018**

Little League Baseball, Incorporated and Controlled Entities

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September 30, 2019 and 2018

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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, 2019 and 2018, 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, 2019 and 2018, 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

February 18, 2020

Little League Baseball, Incorporated and Controlled Entities

Combined Statements of Financial Position

September 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	\$ 10,613,632	\$ 10,103,434
Trade accounts receivable, net	463,646	493,834
Interest receivable	-	2
Inventories	534,525	584,939
Supplies, prepaid expenses and other assets	908,557	987,952
Investments, at fair value	38,814,875	36,937,426
Land, building and equipment, net	36,190,915	36,778,109
Collections, net	1,247,069	1,292,416
Assets with donor restrictions	<u>118,682</u>	<u>159,275</u>
Total assets	<u><u>\$ 88,891,901</u></u>	<u><u>\$ 87,337,387</u></u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 850,277	\$ 1,949,206
Holiday savings plan	224,601	203,467
Deferred revenue	82,350	625,500
Due to leagues	1,441,005	1,311,868
Other postretirement benefits	<u>3,374,919</u>	<u>3,417,368</u>
Total liabilities	<u><u>5,973,152</u></u>	<u><u>7,507,409</u></u>
Net assets		
Without donor restrictions	82,800,067	79,670,703
With donor restrictions	<u>118,682</u>	<u>159,275</u>
Total net assets	<u><u>82,918,749</u></u>	<u><u>79,829,978</u></u>
Total liabilities and net assets	<u><u>\$ 88,891,901</u></u>	<u><u>\$ 87,337,387</u></u>

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

Little League Baseball, Incorporated and Controlled Entities
Combined Statement of Activities and Changes in Net Assets
Year Ended September 30, 2019

	Without donor restrictions	With donor restrictions	Total
Support, revenues and gains			
Support			
Contributions from			
Public	\$ 534,310	\$ 100,000	\$ 634,310
Local Little Leagues	3,474,417	-	3,474,417
Total support	<u>4,008,727</u>	<u>100,000</u>	<u>4,108,727</u>
Revenues and gains			
Charter fees and membership enrollment	1,226,021	-	1,226,021
Royalties, rights, license fees and corporate sponsors	12,026,356	-	12,026,356
Service fee for administration of group accident and liability insurance covering local little leagues	896,845	-	896,845
Summer camp	468,628	-	468,628
World Series/tournaments/special activities	10,466,795	-	10,466,795
Sale of copyrighted supplies	4,417,632	-	4,417,632
Peter J. McGovern Museum admissions	64,389	-	64,389
League publications	50,800	-	50,800
Interest and dividends	241,777	135	241,912
Net realized and unrealized gain on investments	1,790,417	-	1,790,417
Miscellaneous revenue	54,199	-	54,199
Loss on disposal of assets	(16,390)	-	(16,390)
Net assets released from restriction	<u>140,728</u>	<u>(140,728)</u>	<u>-</u>
Total revenues and gains	<u>31,828,197</u>	<u>(140,593)</u>	<u>31,687,604</u>
Total support, revenues and gains	<u>35,836,924</u>	<u>(40,593)</u>	<u>35,796,331</u>
Expenses			
Program services			
League operations	14,582,830	-	14,582,830
World series/tournaments/special activities	13,813,546	-	13,813,546
Peter J. McGovern Museum	841,750	-	841,750
Total program services	<u>29,238,126</u>	-	<u>29,238,126</u>
Supporting services			
Administrative services	<u>3,662,006</u>	<u>-</u>	<u>3,662,006</u>
Total expenses	<u>32,900,132</u>	<u>-</u>	<u>32,900,132</u>
Change in other postretirement benefits	<u>192,572</u>	<u>-</u>	<u>192,572</u>
Change in net assets	<u>3,129,364</u>	<u>(40,593)</u>	<u>3,088,771</u>
Net assets			
Beginning of year	<u>79,670,703</u>	<u>159,275</u>	<u>79,829,978</u>
End of year	<u>\$ 82,800,067</u>	<u>\$ 118,682</u>	<u>\$ 82,918,749</u>

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

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

	Without donor restrictions	With donor restrictions	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	10,289,879	-	10,289,879
Sale of copyrighted supplies	4,197,380	-	4,197,380
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 consolidated financial statements.

Little League Baseball, Incorporated and Controlled Entities
Combined Statements of Cash Flows
Years Ended September 30, 2019 and 2018

	2019	2018
Cash flows from operating activities		
Change in net assets	\$ 3,088,771	\$ (546,589)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	3,583,910	3,387,735
Net realized and unrealized gain on investments	(1,790,417)	(1,649,231)
Interest and dividends received on investments	(241,912)	(228,508)
Change in other postretirement benefits	(42,449)	(58,251)
Loss (gain) on disposal of fixed assets	16,390	(8,420)
Changes in assets and liabilities		
Trade accounts receivable	30,188	172,347
Interest receivable	2	50
Inventories	50,414	165,822
Supplies, prepaid expenses and other assets	79,395	59,973
Accounts payable and accrued expenses	(1,098,929)	1,340,034
Holiday savings plan	21,134	34,128
Deferred revenue	(543,150)	546,275
Due to leagues	129,137	45,598
Net cash provided by operating activities	<u>3,282,484</u>	<u>3,260,963</u>
Cash flows from investing activities		
Purchases of land, building and equipment	(2,881,020)	(2,706,033)
Purchases of collections	(106,739)	(62,409)
Proceeds from sale of equipment	20,000	8,420
Purchases of investments	(648,365)	(1,247,505)
Proceeds from sale of investments	803,245	1,312,069
Change in assets with donor restrictions	<u>40,593</u>	<u>(155)</u>
Net cash used in investing activities	<u>(2,772,286)</u>	<u>(2,695,613)</u>
Net increase in cash and cash equivalents	510,198	565,350
Cash and cash equivalents		
Beginning of year	<u>10,103,434</u>	<u>9,538,084</u>
End of year	<u>\$ 10,613,632</u>	<u>\$ 10,103,434</u>

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