

Little League Baseball, Incorporated and Controlled Entities

Combined Financial Statements

December 31, 2025 and 2024

Little League Baseball, Incorporated and Controlled Entities

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December 31, 2025 and 2024

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Independent Auditors' Report

To the Board of Directors of
Little League Baseball, Inc. and Controlled Entities

Opinion

We have audited the combined financial statements of Little League Baseball, Inc. and Controlled Entities (the Organization), which comprise the combined statements of financial position as of December 31, 2025 and 2024, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Organization 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with GAAP, and for 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.

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 the Organization's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Combined 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 auditors' 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 GAAS 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 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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 the Organization'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 the Organization'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.

Baker Tilly US, LLP

Williamsport, Pennsylvania
July 8, 2026

Little League Baseball, Incorporated and Controlled Entities

Combined Statements of Financial Position

December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 17,125,040	\$ 15,519,881
Due from leagues	3,143,462	2,744,088
Inventories	798,081	1,006,613
Prepaid expenses and other assets	398,427	533,498
Investments	31,827,585	30,240,465
Land, buildings and equipment, net	47,979,430	50,919,169
Right-of-use assets	1,668,489	1,726,689
Collections, net	323,480	460,138
	<u> </u>	<u> </u>
Total assets	<u>\$ 103,263,994</u>	<u>\$ 103,150,541</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 1,198,330	\$ 2,127,028
League insurance liability	7,827,109	7,217,136
Deferred revenue	2,061,100	3,790,373
Due to leagues	605,734	571,312
Note payable	6,643,109	6,892,588
Lease liabilities	1,286,163	1,342,827
Other postretirement benefits	3,908,208	3,613,809
	<u> </u>	<u> </u>
Total liabilities	<u>23,529,753</u>	<u>25,555,073</u>
Net Assets		
Without donor restrictions	79,676,798	77,549,567
With donor restrictions	57,443	45,901
	<u> </u>	<u> </u>
Total net assets	<u>79,734,241</u>	<u>77,595,468</u>
	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 103,263,994</u>	<u>\$ 103,150,541</u>

See notes to combined financial statements

Little League Baseball, Incorporated and Controlled Entities

Combined Statement of Activities and Changes in Net Assets

Year Ended December 31, 2025

(With Comparative Totals for the Year Ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	2025	2024
Support, Revenues and Gains				
Support:				
Public	\$ 1,020,048	\$ 10,982	\$ 1,031,030	\$ 1,126,595
Local Little Leagues	57,566	-	57,566	5,463
Total support	1,077,614	10,982	1,088,596	1,132,058
Revenues and gains:				
World Series, tournaments and special activities	23,135,541	-	23,135,541	22,062,621
Royalties, rights and corporate sponsors	14,660,690	-	14,660,690	12,900,329
Sale of copyrighted supplies	5,065,032	-	5,065,032	4,963,327
Charter fees and membership enrollment, net of refunds	1,289,420	-	1,289,420	1,274,702
Interest income	408,148	-	408,148	377,628
Service fee for administration of group accident and liability	372,081	-	372,081	371,689
Miscellaneous revenue	58,569	-	58,569	212,191
(Loss) gain on disposal of assets	(193,339)	-	(193,339)	12,500
Total revenues and gains, net	44,796,142	-	44,796,142	42,174,987
Total support, revenues and gains, net	45,873,756	10,982	45,884,738	43,307,045
Expenses				
Program services:				
League operations	22,067,233	-	22,067,233	21,807,623
World Series, tournaments and special activities	18,108,457	-	18,108,457	16,138,573
Peter J. McGovern Museum	1,690,343	-	1,690,343	1,608,792
Total program services	41,866,033	-	41,866,033	39,554,988
Supporting services:				
Administrative services	3,328,583	-	3,328,583	4,445,919
Total expenses	45,194,616	-	45,194,616	44,000,907
Change in net assets before other changes	679,140	10,982	690,122	(693,862)
Other Changes in Net Assets				
Investment income	1,597,515	560	1,598,075	2,059,487
Change in other postretirement benefits	(149,424)	-	(149,424)	731,862
Total other changes	1,448,091	560	1,448,651	2,791,349
Change in net assets	2,127,231	11,542	2,138,773	2,097,487
Net Assets, Beginning	77,549,567	45,901	77,595,468	75,497,981
Net Assets, Ending	\$ 79,676,798	\$ 57,443	\$ 79,734,241	\$ 77,595,468

See notes to combined financial statements

Little League Baseball, Incorporated and Controlled Entities

Combined Statement of Activities and Changes in Net Assets

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenues and Gains			
Support:			
Public	\$ 1,048,039	\$ 78,556	\$ 1,126,595
Local Little Leagues	5,463	-	5,463
Total support	1,053,502	78,556	1,132,058
Revenues and gains:			
World Series, tournaments and special activities	22,062,621	-	22,062,621
Royalties, rights and corporate sponsors	12,900,329	-	12,900,329
Sale of copyrighted supplies	4,963,327	-	4,963,327
Charter fees and membership enrollment, net of refunds	1,274,702	-	1,274,702
Interest income	372,871	4,757	377,628
Service fee for administration of group accident and liability	371,689	-	371,689
Miscellaneous revenue	212,191	-	212,191
Gain on disposal of assets	12,500	-	12,500
Total revenues and gains	42,170,230	4,757	42,174,987
Total support, revenues and gains, net	43,223,732	83,313	43,307,045
Expenses			
Program services:			
League operations	21,807,623	-	21,807,623
World Series, tournaments and special activities	16,138,573	-	16,138,573
Peter J. McGovern Museum	1,608,792	-	1,608,792
Total program services	39,554,988	-	39,554,988
Supporting services:			
Administrative services	4,445,919	-	4,445,919
Total expenses	44,000,907	-	44,000,907
Change in net assets before other changes	(777,175)	83,313	(693,862)
Other Changes in Net Assets			
Investment income	2,059,487	-	2,059,487
Change in other postretirement benefits	731,862	-	731,862
Net assets released from restrictions	45,693	(45,693)	-
Total other changes	2,837,042	(45,693)	2,791,349
Change in net assets	2,059,867	37,620	2,097,487
Net Assets, Beginning	75,489,700	8,281	75,497,981
Net Assets, Ending	\$ 77,549,567	\$ 45,901	\$ 77,595,468

See notes to combined financial statements

Little League Baseball, Incorporated and Controlled Entities

Combined Statement of Functional Expenses

Year Ended December 31, 2025

(With Comparative Totals for the Year Ended December 31, 2024)

	Program Services						
		World Series Tournaments	Peter J. McGovern Little League Baseball Museum	Total Program Services	Supporting Services Administrative	2025 Total Expenses	2024 Total Expenses
	League Operations	Special Activities					
Salaries	\$ 4,910,373	\$ 3,150,051	\$ 370,594	\$ 8,431,018	\$ 833,837	\$ 9,264,855	\$ 9,740,510
Professional services	2,650,756	1,700,485	200,057	4,551,298	450,128	5,001,426	3,352,575
Depreciation	3,242,172	864,579	307,039	4,413,790	216,145	4,629,935	4,381,880
Travel	285,111	4,099,143	21,518	4,405,772	48,415	4,454,187	5,639,804
Field, housing and vehicle maintenance	2,317,770	1,486,871	174,926	3,979,567	393,584	4,373,151	4,107,160
Feeding and housing	1,481,792	950,584	111,833	2,544,209	251,625	2,795,834	2,078,515
Printing, supplies and other operating expenses	1,082,863	694,667	81,725	1,859,255	183,882	2,043,137	2,981,324
Copyrighted supplies expense, sold	1,050,677	674,019	79,296	1,803,992	178,416	1,982,408	1,234,243
Insurance, fire and general	1,037,506	665,570	78,302	1,781,378	176,180	1,957,558	1,799,485
Hospitalization and insurance	1,022,291	655,809	77,154	1,755,254	173,595	1,928,849	1,823,965
Uniforms and equipment	-	1,569,529	-	1,569,529	-	1,569,529	1,051,360
Contracted services	518,268	332,474	39,115	889,857	88,008	977,865	933,066
Office supplies and maintenance	515,338	330,594	38,893	884,825	87,511	972,336	1,060,353
Payroll taxes	385,994	247,619	29,132	662,745	65,547	728,292	731,394
Public relations	262,714	168,533	19,827	451,074	44,611	495,685	747,997
Contribution expense	243,974	156,512	18,413	418,899	41,430	460,329	224,650
Employee retirement plan	197,322	126,584	14,892	338,798	33,508	372,306	354,886
Benefits extended to leagues	345,000	-	-	345,000	-	345,000	1,038,674
Postage and shipping	145,701	93,469	10,996	250,166	24,742	274,908	240,026
Telephone	136,871	87,804	10,330	235,005	23,242	258,247	210,786
Grants expense	151,249	-	-	151,249	-	151,249	102,693
European development	60,787	38,996	4,588	104,371	10,322	114,693	111,824
Field staff retainers	19,557	12,546	1,476	33,579	3,321	36,900	50,400
Bad debt expense	3,147	2,019	237	5,403	534	5,937	3,337
Total expenses	\$ 22,067,233	\$ 18,108,457	\$ 1,690,343	\$ 41,866,033	\$ 3,328,583	\$ 45,194,616	\$ 44,000,907

See notes to combined financial statements

Little League Baseball, Incorporated and Controlled Entities

Combined Statement of Functional Expenses

Year Ended December 31, 2024

	Program Services			Total Program Services	Supporting Services Administrative	Total Expenses
	League Operations	World Series Tournaments Special Activities	Peter J. McGovern Little League Baseball Museum			
Salaries	\$ 5,259,875	\$ 2,824,748	\$ 389,620	\$ 8,474,243	\$ 1,266,267	\$ 9,740,510
Travel	445,418	5,054,161	32,994	5,532,573	107,231	5,639,804
Depreciation	3,056,131	814,968	307,039	4,178,138	203,742	4,381,880
Field, housing and vehicle maintenance	2,217,867	1,191,076	164,286	3,573,229	533,931	4,107,160
Professional services	1,810,390	972,247	131,403	2,914,040	438,535	3,352,575
Printing, supplies and other operating expenses	1,609,915	864,584	119,253	2,593,752	387,572	2,981,324
Feeding and housing	1,122,398	602,769	83,141	1,808,308	270,207	2,078,515
Hospitalization and insurance	984,941	528,950	72,959	1,586,850	237,115	1,823,965
Insurance, fire and general	971,722	521,851	71,979	1,565,552	233,933	1,799,485
Copyrighted supplies expense, sold	666,491	357,930	49,370	1,073,791	160,452	1,234,243
Office supplies and maintenance	572,591	307,502	42,414	922,507	137,846	1,060,353
Uniforms and equipment	-	1,051,360	-	1,051,360	-	1,051,360
Benefits extended to leagues	1,038,674	-	-	1,038,674	-	1,038,674
Contracted services	503,856	270,589	37,323	811,768	121,298	933,066
Public relations	403,918	216,919	29,920	650,757	97,240	747,997
Payroll taxes	394,953	212,104	29,256	636,313	95,081	731,394
Employee retirement plan	191,638	102,917	14,195	308,750	46,136	354,886
Postage and shipping	129,614	69,608	9,601	208,823	31,203	240,026
Contribution expense	121,311	65,149	8,986	195,446	29,204	224,650
Telephone	113,824	61,128	8,431	183,383	27,403	210,786
European development	60,385	32,429	4,473	97,287	14,537	111,824
Grants expense	102,693	-	-	102,693	-	102,693
Field staff retainers	27,216	14,616	2,016	43,848	6,552	50,400
Bad debt expense	1,802	968	133	2,903	434	3,337
Total expenses	<u>\$ 21,807,623</u>	<u>\$ 16,138,573</u>	<u>\$ 1,608,792</u>	<u>\$ 39,554,988</u>	<u>\$ 4,445,919</u>	<u>\$ 44,000,907</u>

See notes to combined financial statements

Little League Baseball, Incorporated and Controlled Entities

Combined Statements of Cash Flows

Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	\$ 2,138,773	\$ 2,097,487
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,629,935	4,381,880
Amortization of right-of-use assets	58,200	55,530
Net realized and unrealized gains on investments	(1,824,488)	(1,724,148)
Loss (gain) on disposal of fixed assets	193,339	(12,500)
Change in:		
Due from leagues	(399,374)	(126,844)
Inventories	208,532	(508,194)
Prepaid expenses and other assets	135,071	946,396
Accounts payable and accrued expenses	(928,698)	1,055,200
League insurance liability	609,973	38,107
Deferred revenue	(1,729,273)	(3,358,617)
Due to leagues	34,422	(59,629)
Lease liability	(56,664)	446,695
Other postretirement benefits	294,399	(577,223)
Net cash provided by operating activities	<u>3,364,147</u>	<u>2,654,140</u>
Cash Flows From Investing Activities		
Purchases of land, buildings and equipment	(1,954,478)	(9,170,804)
Purchases of investments	(15,165,261)	(15,327,687)
Proceeds from sale of investments	15,402,629	20,166,260
Proceeds from sale of equipment	<u>207,601</u>	<u>12,500</u>
Net cash used in investing activities	<u>(1,509,509)</u>	<u>(4,319,731)</u>
Cash Flows Used in Financing Activities		
Payments on note payable	<u>(249,479)</u>	<u>(203,788)</u>
Net increase (decrease) in cash and cash equivalents	1,605,159	(1,869,379)
Cash and Cash Equivalents, Beginning	<u>15,519,881</u>	<u>17,389,260</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 17,125,040</u></u>	<u><u>\$ 15,519,881</u></u>
Supplementary Disclosure of Cash Flow Information		
Cash paid for interest	<u><u>\$ 490,669</u></u>	<u><u>\$ 523,314</u></u>
Supplementary Disclosure of Noncash Investing Activities		
Right-of-use assets obtained through operating leases	<u><u>\$ -</u></u>	<u><u>\$ 886,087</u></u>

See notes to combined financial statements

Little League Baseball, Incorporated and Controlled Entities

Notes to Combined Financial Statements

December 31, 2025 and 2024

1. Organization

Little League Baseball, Incorporated (Little League or Organization), located in South Williamsport, Pennsylvania, was established by an Act of Congress on July 16, 1964, to promote the welfare and development of children who participate in Little League Baseball and Softball in the United States and abroad. Little League Baseball, Incorporated operates regional centers in Bristol, Connecticut; Whitestown, Indiana; Warner Robbins, Georgia; San Bernardino, California and Waco, Texas. Additionally, Little League Baseball, Incorporated operates a European Leadership Training Center in Kutno, Poland and the World of Little League: Peter J. McGovern Museum and Official Store (the Museum), a museum of Little League memorabilia and artifacts for the purpose of educating visitors of the ongoing commitment of service to youth by Little League.

Little League Baseball, Incorporated controls the following entities:

Little League Baseball Poland Foundation (Williamsport) - The Poland Foundation, headquartered in South Williamsport, Pennsylvania, was incorporated in the Commonwealth of Pennsylvania effective December 15, 1993, to further the development of Little League Baseball, Incorporated on the European continent.

Little League Baseball Poland Foundation (Poland) - The Poland Foundation in Poland, headquartered in Kutno, Poland, was incorporated in Poland effective July 24, 1995, to be the operating entity in Europe on behalf of Little League Baseball, Incorporated.

Little League Baseball, Incorporated and the Poland Foundations are referred to collectively as Little League or Little League Baseball, Incorporated and Controlled Entities or the Organization.

Principles of Combination

The combined financial statements include the accounts of Little League Baseball, Incorporated, Little League Baseball Poland Foundation (Williamsport) and Little League Baseball Poland Foundation (Poland). All significant intercompany accounts and transactions have been eliminated.

2. Summary of Significant Accounting Policies

Basis of Accounting

Little League reports its financial position and results of operations on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation

Little League's combined financial statements have been prepared in accordance with GAAP as issued by the Financial Accounting Standards Board (FASB). Net assets, revenue, gains, expenses and losses are classified as without donor restrictions and with donor restrictions based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. All revenue not restricted by donors and donor-restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions. The Board of Directors may also designate net assets included in this category for certain purposes.

Little League Baseball, Incorporated and Controlled Entities

Notes to Combined Financial Statements
December 31, 2025 and 2024

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that may be met either by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. 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. Net assets with donor restrictions of \$57,443 and \$45,901 at December 31, 2025 and 2024, respectively, are restricted for the Challenger and All Equipment programs.

Use of Estimates

The preparation of combined financial statements in conformity with 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.

Donated Services and Materials

Donated services and materials, including collection items, are recorded as contributions at their fair value at the time of receipt.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments and fixed income investments with original maturities less than 90 days. Cash and cash equivalents are valued at cost, which approximates fair market value.

Due From Leagues

Due from leagues represents amounts owed from local leagues. Little League extends credit to local little leagues for charter fees, insurance premiums and purchases of supplies. Little League also extends credit to District Administrators for the purchase of league supplies. Amounts are reasonably expected to be collected within the next twelve months.

Inventories

Inventories, which consist of items held for retail sale, are stated at the lower of cost or net realizable value as determined by the first-in, first-out method.

Land, Buildings, Equipment and Depreciation

Land, buildings and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets as follows: Electronic equipment (3 to 5 years), furniture, fixtures and equipment (7 to 10 years), buildings, athletic facilities and land improvements (20 to 40 years), vehicles and maintenance equipment (5 to 7 years) and statues and signage (7 to 10 years). Upon sale or retirement, the cost and related accumulated depreciation of such assets are removed from the accounts and any resulting gain or loss realized is credited or charged to revenues and gains for the period. Expenditures for maintenance and repairs are charged to expense as incurred. Significant renewals and improvements are capitalized. The Organization has a capitalization threshold of \$1,000.

Little League Baseball, Incorporated and Controlled Entities

Notes to Combined Financial Statements

December 31, 2025 and 2024

Leases

The Organization has entered into a building lease and a land lease. The operating leases are included in right-of-use assets and lease liabilities on the combined statements of financial position.

Right-of-use assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Leases with an initial term of 12 months or less are not recorded on the combined statements of financial position and are recognized as lease expense on a straight-line basis over the lease term. The leases recorded on the combined statements of financial position do not provide an implicit lease rate, therefore, the Organization has utilized an incremental borrowing rate as the basis to calculate the present value of future lease payments at lease commencement. The incremental borrowing rate represents the rate that would have to be paid to borrow funds on a collateralized basis over a similar term and in a similar economic environment.

The Organization has elected, as a practical expedient, not to apply lease recognition requirements to short-term lease arrangements, generally those with a lease term of less than 12 months, for all classes of underlying assets. In determination of the lease term, the Organization considers the likelihood of lease renewal options and lease termination provisions.

The lease asset also reflects any prepaid rent, initial direct costs incurred and lease incentives received. The Organization's lease terms include optional extension periods when it is reasonably certain that those options will be exercised. Leases with an initial expected term of 12 months or less are not recorded in the combined statements of financial position and the related lease expense is recognized on a straight-line basis over the lease term.

Operating lease assets are reviewed for impairment based on an ongoing review of circumstances that indicate the assets may no longer be recoverable, such as properties that are no longer being utilized in current operations, and other factors. The Organization calculates operating lease impairments using a discount rate to calculate the present value of estimated subtenant rentals that could be reasonably obtained for the property.

Collections

The Museum maintains a Little League photograph collection and artifacts for the purpose of public exhibition and education of visitors of Little League's ongoing commitment of service to youth. The collection is protected, kept unencumbered, cared for and preserved by the Museum. Collections are capitalized at cost, net of accumulated depreciation of \$323,480 and \$460,138 as of December 31, 2025 and 2024, respectively, and stated separately on the combined statements of financial position. Contributed collection items are recognized as gains on the combined statements of activities and changes in net assets and are recorded at fair value. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets of 7 to 10 years. The collection items are subject to the Little League's policy that requires proceeds from their sales to be used to acquire other items for collections or to support the direct care of existing collection items.

Little League Baseball, Incorporated and Controlled Entities

Notes to Combined Financial Statements
December 31, 2025 and 2024

Deferred Revenue

Little League received advance payments for local league charter fees and sponsorship payments during fiscal years 2025 and 2024. The Organization subsequently recognizes these payments as revenue in the fiscal year that corresponds with the related Little League World Series event.

The activity for local league charter fees and sponsorship payments for the years ended December 31 is described below.

December 31, 2025				
	Beginning	Revenue Recognized	Cash Received in Advance of Performance	Ending
Local league charter fees	\$ 687,090	\$ (687,090)	\$ 697,950	\$ 697,950
Sponsorship payments	3,103,283	(1,803,283)	63,150	1,363,150
Total	<u>\$ 3,790,373</u>	<u>\$ (2,490,373)</u>	<u>\$ 761,100</u>	<u>\$ 2,061,100</u>

December 31, 2024				
	Beginning	Revenue Recognized	Cash Received in Advance of Performance	Ending
Local league charter fees	\$ 698,990	\$ (698,990)	\$ 687,090	\$ 687,090
Sponsorship payments	6,450,000	(4,800,000)	1,453,283	3,103,283
Total	<u>\$ 7,148,990</u>	<u>\$ (5,498,990)</u>	<u>\$ 2,140,373</u>	<u>\$ 3,790,373</u>

Due from leagues is separately presented on the combined statements of financial position and totaled \$3,143,462 and \$2,744,088 as of December 31, 2025 and 2024, respectively. Due from leagues as of December 31, 2023 totaled \$2,617,244.

League Insurance Liability

Little League receives commitments from the local leagues for various required insurance policies in advance of amounts settled and paid to respective insurance companies.

Due to Leagues

Due to leagues represents charter fees, mileage credits owed to the local leagues who participated in Little League sanctioned tournaments and insurance credits to be provided to the local leagues as of the end of the fiscal year. The leagues may use these credits to offset charter fees, insurance premiums and purchases of Little League supplies in future years.

Employee Benefit Plans

Little League sponsors a defined contribution savings plan for all eligible employees subject to the provisions of Section 401(k) of the Internal Revenue Code (IRC). Little League also sponsors a defined benefit plan (post-retirement benefit plan) which provides employees certain postretirement benefits in the form of continuing life insurance and continuing medical and dental reimbursement benefits. GAAP requires an entity to recognize in its combined statements of financial position, the over-or underfunded status of its defined benefit postretirement plan measured as the difference between the fair value of the plan assets and the benefit obligation. For a postretirement plan the benefit obligation would be the accumulated postretirement benefit obligation. GAAP also requires the postretirement benefit obligation be measured as of the date of the entity's combined statements of financial position.

Little League Baseball, Incorporated and Controlled Entities

Notes to Combined Financial Statements

December 31, 2025 and 2024

Other Changes in Net Assets

Revenues or expenses not directly identifiable to programs, nor related to the overall support and mission of Little League, are reported separately from revenues and functional expenses. These include net realized and unrealized gains (losses) on investments, and postretirement benefit changes other than net periodic postretirement costs.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and activities have been summarized on a functional basis in the combined statements of activities and changes in net assets. Accordingly, the Organization's natural expenses have been allocated on a functional basis among program and supporting services benefited in the combined statements of functional expenses. The Organization utilizes an estimated time allocation. Little League summarizes the expenses for specific program services. League operations are expenses that can be tied directly to the education, support, registration and growth of all local little league program operations year-round. The expenses for divisional World Series tournaments and special activities are related to support for the seven international World Series tournaments and regional tournaments, and the Peter J. McGovern Museum expenses are the costs associated in maintaining and operating the Museum in South Williamsport.

Income Taxes

The United States Treasury Department has advised that Little League and Williamsport are tax-exempt organizations under Section 501(c)(3) of the IRC. Little League Baseball Poland Foundation (Poland) is tax-exempt under Polish law. On such basis, Little League has not incurred any liability for federal income taxes.

Concentrations of Credit Risk

Financial instruments subject to concentrations of credit risk consist primarily of cash and cash equivalents and investments.

Cash and cash equivalents deposited in Federal Deposit Insurance Corporation (FDIC) member banks are insured up to a limit of \$250,000 per account.

Investments, at fair value, are maintained and administered by three fund advisors. The fair market value of investments as presented in the combined financial statements are subject to various market fluctuations which include changes in the equity and bond markets, interest rate fluctuations and general economic conditions.

Reclassifications

Certain amounts in the 2024 combined financial statements have been reclassified for comparative purposes to conform to the 2025 presentation. Such reclassifications had no effect on the reported change in net assets.

Subsequent Events

Subsequent events have been evaluated for measurement and disclosure through July 8, 2026, the date the combined financial statements were available to be issued.

Little League Baseball, Incorporated and Controlled Entities

Notes to Combined Financial Statements

December 31, 2025 and 2024

3. Revenue Recognition

The Organization recognizes revenue when control of the promised goods or services are transferred to outside parties in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. The Organization has identified charter fees and memberships, royalties, license fees and corporate sponsorships, broadcasting rights, museum admissions and sale of copyrighted supplies as revenue categories with a transfer of promised goods or services.

The Organization has entered into certain revenue transactions, such as the licensing of broadcasting rights, corporate sponsorship transactions and the sale of memberships that involve the delivery of multiple elements to the buyer. In accounting for these transactions, the Organization must evaluate whether there is objective evidence of fair value for each individual element delivered and, if so, account for each element of the transaction separately, based on relevant revenue recognition accounting policies. An allocation of revenue is made to all elements for which fair value is determinable. The balance of consideration received for which the fair value is not determinable is allocated to the remaining elements.

Royalties, Rights and Corporate Sponsors

Royalties, rights and corporate sponsors for the years ended December 31, 2025 and 2024:

	2025	2024
Corporate sponsorships	\$ 10,201,401	\$ 9,251,643
Royalties and rights	4,459,289	3,648,686
Total	<u>\$ 14,660,690</u>	<u>\$ 12,900,329</u>

Corporate sponsorship revenues involve various forms of sponsorship for the Little League World Series. Sponsorship revenues are derived from 12 sponsorship agreements with counterparties who provide consideration predominately in the form of cash and, in certain cases, value in kind in exchange for acknowledgement, marketing rights, customer activations and advertising. Most of these sponsorships are multi-year contracts, some extending through 2030. Such agreements are subject to termination and renewal clauses. Contracts with corporate sponsors cover multi-year periods with the amount of consideration attributable to each period indicated in the contracts. Each year's performance obligations relate to the unique events and activation plan for a given year. The Organization's performance obligations are satisfied at a point in time and the contractual consideration for a given year is recognized once those performance obligations are fulfilled. Revenues are recognized when the World Series is conducted as the Organization has substantially provided all performance obligations and received all benefits associated with the agreements. Royalties are recognized in the period the manufacture or sale of the item/service giving rise to the royalty occurs.

World Series, Tournaments and Special Activities

World Series, tournaments and special activities revenues for the years ended December 31:

	2025	2024
Television and radio rights	\$ 18,838,300	\$ 18,112,709
Tournament travel funds	3,109,516	3,088,350
Concessions	886,485	615,548
Special events and clinics	259,712	166,511
Programs and other	41,528	79,503
Total	<u>\$ 23,135,541</u>	<u>\$ 22,062,621</u>

Little League Baseball, Incorporated and Controlled Entities

Notes to Combined Financial Statements

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Television and Radio Rights

Television rights revenues are predominately earned through an exclusive television rights agreement with a domestic and international broadcaster who provides consideration, predominately in the form of cash, in exchange for exclusive media rights to broadcast the tournaments. The contract extends through December 2030. This agreement is subject to termination and renewal clauses. The Organization's performance obligations consist of the conduct of the Little League World Series and various regional tournaments to enable the production of a broadcast. The terms of the broadcasting arrangement are such that rights are assigned to individual tournaments that occur annually and are satisfied at the point in time when the respective tournament to which they pertain occurs. Accordingly, the Organization does not have any unsatisfied performance obligations as of year-end.

Charter Fee Revenue

Charter fee revenues received from local leagues who affiliate with the Organization are considered refundable exchange transactions. The Organization provides affiliated local leagues certain benefits during the year including but not limited to free training and educational materials, playing rules, training seminars and clinics, regular mailings of pertinent information, options for low rate and insurance coverages, tax exemption assistance and an option to take part in the International Tournament. A local league may take advantage of any or all benefits of affiliation during the year. The Organization recognizes Charter Fee Revenue ratably over the term of the membership period, which corresponds to the Organization's fiscal year. There are no unsatisfied performance obligations related to Charter Fee Revenue as of December 31, 2025 or 2024. A local league can request a refund of any charter fees paid if the league provides proof no activity occurred (i.e. - the local league did not play games or have a season); however, this is a relatively uncommon occurrence. There were no refunds issued in 2025 or 2024.

Sale of Copyrighted Supplies

The Organization generates revenue from sale of merchandise, supplies and other items at the Museum, through its web site utilizing an online platform, and on-site at various tournaments held during the year. Revenues are recognized at a point in time when the sales occur and the merchandise is transferred to the customer.

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions on the combined statements of activities and changes in net assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities and changes in net assets as net asset releases of restrictions. At December 31, 2025, the Organization had an outstanding conditional grant of approximately \$7,100,000. This conditional grant is not recognized as an asset and conditions will be met upon incurring certain qualifying expenditures.

Little League Baseball, Incorporated and Controlled Entities

Notes to Combined Financial Statements
December 31, 2025 and 2024

4. Fair Value Measurements and Investments

GAAP defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". The standard also prioritizes and establishes a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date.

Under this standard, Little League is required to categorize and disclose certain assets and liabilities, including investments, at fair value, according to three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Assets are disclosed within the hierarchy based on the lowest (or least observable) input that is significant to the measurement. Little League's assessment of the significance of an input requires judgment, which may affect the valuation and categorization within the fair value hierarchy.

The Organization believes that the carrying amount of its investments are a reasonable estimate of fair value as of December 31, 2025 and 2024. Net realized and unrealized gains (losses) on investments are reported within the combined statements of activities and changes in net assets as its own line item.

Investment returns for the years ended December 31, 2025 and 2024 were comprised of the following:

	2025	2024
Dividend income	\$ 540,717	\$ 473,281
Net realized and unrealized gain on investments	1,198,216	1,724,148
Investment fees	(140,858)	(137,942)
Total	<u>\$ 1,598,075</u>	<u>\$ 2,059,487</u>

The following table represents the fair value measurement levels for all assets and liabilities recorded at fair value as of December 31, 2025 and 2024, respectively.

Investments at Fair Value as of December 31, 2025				
	Level 1	Level 2	Level 3	Total
Mutual funds, equity	\$ 12,266,576	\$ -	\$ -	\$ 12,266,576
Mutual funds, fixed income	4,431,574	-	-	4,431,574
Exchange traded funds	2,824,063	-	-	2,824,063
Cash and cash equivalents	2,274,297	-	-	2,274,297
	21,796,510	-	-	21,796,510
Investment assets measured at net asset value:				
Multi-strategy funds	-	-	-	10,031,075
Total investments	<u>\$ 21,796,510</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,827,585</u>

Little League Baseball, Incorporated and Controlled Entities

Notes to Combined Financial Statements
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	Investments at Fair Value as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,031,943	\$ -	\$ -	\$ 1,031,943
Exchange traded funds	2,178,102	-	-	2,178,102
Cash and cash equivalents	15,106,083	-	-	15,106,083
	18,316,128	-	-	18,316,128
Investment assets measured at net asset value:				
Multi-strategy funds	-	-	-	11,924,337
Total investments	<u>\$ 18,316,128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,240,465</u>

Long-term investments measured using the net asset value (NAV) practical expedient are not required to be categorized within the fair value hierarchy. However, they are included in the total column to reconcile to long-term investments as reported on the combined statements of financial position.

There were no transfers of investments between levels from 2024 to 2025.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments and fixed income investments with original maturities less than 90 days, which were purchased within three months of fiscal year-end. Cash and cash equivalents are valued at cost, which approximates fair market value.

Mutual Funds

Mutual funds consist of underlying debt and equity securities that are valued on quoted market prices in active markets obtained from exchange or dealer markets for identical assets and are accordingly categorized as Level 1 investments. The Organization values each fund at its daily NAV for which shares in the fund can be bought and sold.

Exchange Traded Funds

Exchange traded funds (ETFs) consist of marketable securities that track designated indexes. Each ETF is traded at quoted market prices in active markets obtained from exchange or dealer markets for identical assets and are accordingly categorized as Level 1 investments. The Organization values each fund at its market price for which shares in the ETF can be bought and sold.

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Multi-Strategy Funds

Multi-strategy funds consist of investments whose underlying securities may or may not be quoted in an active market. The fund managers invest in a variety of asset classes, including limited partnerships, hedge funds and private equity, based on the strategy of the fund. The Organization values each fund at its NAV, without further adjustment, unless it is probable that the investment will be sold at a significantly different value. NAV is calculated and provided by the fund manager as of each quarter-end date. If not determined as of the Organization's measurement date, NAV is adjusted to reflect any significant events that would materially affect the security's value. Certain attributes that impact the security's fair value may not be reflected in NAV, including, but not limited to, the investor's ability to redeem the investment at the measurement date and unfunded purchase commitments. If the Organization sold all or a portion of its alternative investments, it is reasonably possible that the transaction value could differ significantly from the estimated fair value at the measurement date, because of the nature of the investments, changes in market conditions and the overall economic environment. There were no unfunded commitments related to the investments as of December 31, 2025 and 2024.

The principal aim of Little League Baseball's alternative investment selection is to remove volatility from its investment program with a focus on generating absolute return. Little League manages this investment exposure through a process of careful selection of experienced external fund managers, comprehensive initial due diligence, continual monitoring and review, limitation of exposure to any one investment strategy or manager and the employment of outside experts.

The Organization has the ability to liquidate its investments according to the provisions of the respective NAV funds' agreements. Certain funds consist of liquidating trusts and/or withdrawals that have been suspended or gated. At December 31, 2025, certain investments were subject to withdrawal restrictions imposed by the underlying portfolio managers of the funds. As a result the Organization may not be able to liquidate some of its investments in a timely manner.

5. Liquidity

Little League's financial assets available to meet cash needs for general expenditures within one year of the dates of the combined statements of financial position include:

	2025	2024
Cash and cash equivalents	\$ 17,125,040	\$ 15,519,881
Due from leagues	3,143,462	2,744,088
Investments	31,827,585	30,240,465
	52,096,087	48,504,434
Less restricted, unavailable or designated resources	10,806,901	11,970,238
Available financial assets	<u>\$ 41,289,186</u>	<u>\$ 36,534,196</u>

Little League structures its financial assets to be available and liquid as its general expenditures, liabilities and other obligations come due. Although Little League does not intend to liquidate assets other than for the amounts needed for general expenditures budgeted during the year, the above amounts could be made available if necessary. Little League also has borrowing capacity under its line of credit which it can draw upon as needed. See Note 10 for further details regarding this facility.

Little League Baseball, Incorporated and Controlled Entities

Notes to Combined Financial Statements
December 31, 2025 and 2024

6. Land, Buildings and Equipment

Land, buildings and equipment consist of the following as of December 31, 2025 and 2024:

	2025	2024
Land	\$ 8,016,068	\$ 7,806,516
Buildings and athletic facilities	80,819,475	80,662,055
Land improvements	15,047,939	14,114,666
Furniture, fixtures and equipment	6,078,792	5,960,987
Vehicle and maintenance equipment	6,333,924	6,533,454
Electronic equipment	4,184,277	4,047,816
Statues and signage	933,482	926,520
	121,413,957	120,052,014
Less accumulated depreciation	73,434,527	69,132,845
	<u>\$ 47,979,430</u>	<u>\$ 50,919,169</u>

Depreciation expense for the years ended December 31, 2025 and 2024, inclusive of depreciation expense related to collections, was \$4,629,935 and \$4,381,880, respectively.

7. Employee Benefit Plans

Little League sponsors two retirement plans, one of which is a defined contribution savings plan, and the other a postretirement benefit plan.

The Little League, Incorporated defined contribution savings plan covers all eligible employees of Little League and allows participants to make contributions by salary reduction pursuant to Section 401(k) of the IRC. Little League contributes 100% of the first 6% of base compensation that a participant contributes to the Plan. Employees may contribute up to 15% of their annual compensation but not more than \$23,500 and \$23,000 for the years ended December 31, 2025 and 2024, respectively. Employees vest immediately in their contributions and vest in Little League's contributions over a five-year period of service. The Organization contributed \$372,306 in 2025 and \$364,751 in 2024.

Little League provides certain postretirement benefits in the form of continuing life insurance and continuing medical and dental reimbursement benefits. Little League provides \$10,000 of life insurance to retirees who have at least 10 years of continuous full-time service, retire at age 55 or older, or are permanently and totally disabled as determined by the insurance company for the Group Long-Term Disability Insurance Plan.

Retirees are also eligible for the Little League Retiree Medical and Dental Reimbursement Plan if they have 10 years of continuous full-time service and retired from Little League Baseball, Incorporated after attainment of age 62. This Plan includes the employee and the employee's spouse at the time of retirement.

Little League Baseball, Incorporated and Controlled Entities

Notes to Combined Financial Statements

December 31, 2025 and 2024

The following table sets forth the Plan's funded status and amounts recognized in the combined statements of financial position and the amounts charged to operations.

Obligations and funded status at December 31, 2025 and 2024:

	2025	2024
Change in accumulated benefit obligation:		
Accumulated benefit obligation at beginning of period	\$ 3,613,809	\$ 4,191,032
Service cost	109,484	128,897
Interest cost	202,241	183,533
Change due to change in actuarial assumptions	149,424	(731,862)
Benefits paid	(166,750)	(157,791)
	<u>3,908,208</u>	<u>3,613,809</u>
Accumulated benefit obligation at end of period	3,908,208	3,613,809
Fair value of plan assets	<u>-</u>	<u>-</u>
Funded (under-funded) status	<u>\$ (3,908,208)</u>	<u>\$ (3,613,809)</u>

Amounts recognized in the combined statements of financial position consist of the following at December 31, 2025 and 2024:

	2025	2024
Items not yet recognized as a component of net periodic postretirement benefit cost:		
Prior service costs	\$ 197,261	\$ 240,384
Unrecognized net actuarial gain	(1,232,096)	(1,475,277)
	<u>\$ (1,034,835)</u>	<u>\$ (1,234,893)</u>
Items not yet recognized at December 31	<u>\$ (1,034,835)</u>	<u>\$ (1,234,893)</u>

Net periodic benefit cost components include the following for the years ended December 31, 2025 and 2024:

	2025	2024
Net periodic postretirement benefit cost:		
Service cost	\$ 109,484	\$ 128,897
Interest cost	202,241	183,533
Gross benefit payments	(166,750)	(157,791)
Change due to change in experience	149,424	(731,862)
	<u>\$ 294,399</u>	<u>\$ (577,223)</u>
Net periodic postretirement benefit cost	<u>\$ 294,399</u>	<u>\$ (577,223)</u>

Weighted average assumptions used to determine benefit obligations at December 31, 2025 and 2024:

	2025	2024
Discount rate	5.51 %	5.49 %

Little League Baseball, Incorporated and Controlled Entities

Notes to Combined Financial Statements
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The following benefit payments, which reflect future service, as appropriate, are expected to be paid as follows:

Estimated future benefit payments:	
January 1, 2026 to December 31, 2026	181,329
January 1, 2027 to December 31, 2027	190,115
January 1, 2028 to December 31, 2028	198,070
January 1, 2029 to December 31, 2029	210,597
January 1, 2030 to December 31, 2030	219,764
January 1, 2031 to December 31, 2035	1,206,326

For measurement purposes, the health care trend rate was 3.50% at December 31, 2025 and 2024.

The health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, increasing the assumed health care cost trend rates by one percentage point in each year would increase the accumulated postretirement benefit obligation as of December 31, 2025, by \$616,613 and the aggregate of the service and interest cost components of net periodic postretirement benefit cost for the year ended to December 31, 2025 by \$62,387. Decreasing the assumed health care cost trend rates by one percentage point in each year would decrease the accumulated postretirement benefit obligation as of December 31, 2025, by \$495,433 and the aggregate of the service and interest cost components of the net periodic postretirement benefit cost for the year ended to December 31, 2025, by \$47,971.

8. Leases

On October 27, 2020, Little League entered into a lease agreement with the City of San Bernardino, California for 20 acres of land on which Little League's Western Region Headquarters is located for an initial annual fee of \$62,400. The lease's original 10-year term expires on October 27, 2030 with an option to renew for five additional two-year terms. The annual fee is subject to increase by 3% each year of the agreement on the anniversary of the agreement.

The Organization leases the aforementioned real property in operations. The Organization assesses extensions using a "reasonably certain" threshold, which is understood to be a high threshold; however, its lease's term does include extension periods for accounting purposes. The payment structure of the Organization's lease includes annual escalation clauses that are fixed in nature.

Little League has a lease agreement with the Kutno Municipality in Poland for a plot of land at an annual cost of one Zloty (less than \$1.00) for 50 years. As part of the agreement, Little League has established the Little League Baseball Poland Foundation, headquartered in Kutno, Poland. The lease expires in 2045, at which time it can be renewed for an additional term of 50 years.

On June 26, 2023, Little League entered into a lease agreement with the Borough of South Williamsport (the Borough) to renew the general terms of a lease agreement entered into between Little League and the Borough on May 10, 1999, to develop a comprehensive World Series parking plan. The renewal agreement takes effect July 1, 2024. The original lease agreement did not include any required lease payments but did require Little League to make a one-time donation of \$75,000 to the Borough. Under the renewal agreement, beginning July 1, 2024, Little League shall make a payment of \$1,000,000 to the Borough as follows: \$500,000 on July 1, 2024 and \$50,000 per year from July 1, 2025 through July 1, 2034.

The Organization makes certain assumptions and judgements in determining the discount rate, as most leases do not provide an implicit rate. The Organization uses a risk-free discount rate, for collateralized borrowing, based on information available at the commencement date in determining the present value of lease payments.

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Notes to Combined Financial Statements

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Subsequent to the lease commencement date, the Organization reassesses lease classifications when there is a contract modification that is accounted for as a separate contract, a change in the lease term or a change in the assessment of whether the lessee is reasonably certain to exercise an option to purchase the underlying asset or terminate the lease.

Future aggregate minimum lease payments due under the leases are as follows:

Years ending December 31:	
2026	\$ 122,879
2027	125,066
2028	127,316
2029	129,638
2030	132,029
Thereafter	<u>1,140,380</u>
	1,777,308
Less present value discount	<u>(491,145)</u>
Total lease liabilities	<u>\$ 1,286,163</u>

Lease-related expenses for the years ended December 31, 2025 and 2024 were \$121,845 and \$150,231, respectively. Weighted-average remaining lease term for the years ended December 31, 2025 and 2024 was 19.5 years and 20.5 years, respectively. Weighted-average discount rate for both years was 5.0%.

9. Note Payable

Little League entered into an agreement with Northwest Bank (Northwest) on May 20, 2020, for a note payable totaling \$10,000,000. Payment on the note payable was interest only until May 20, 2023. Principal and interest payments began June 20, 2023, through maturity on May 20, 2040. The interest rate is a floating rate of the Wall Street Journal US Prime Rate less 1%. The current interest rate as of December 31, 2025, is 6.0%. As of December 31, 2025 and 2024, there was \$6,643,109 and \$6,892,588, respectively, outstanding on the note payable.

Note payable maturing in the next five years ending December 31 and thereafter consists of:

2026	\$ 444,863
2027	444,863
2028	444,863
2029	444,863
2030	444,863
Thereafter	<u>4,418,794</u>
	<u>\$ 6,643,109</u>

Interest expense was \$490,669 and \$523,314 for the years ended December 31, 2025 and 2024, respectively.

Little League Baseball, Incorporated and Controlled Entities

Notes to Combined Financial Statements

December 31, 2025 and 2024

10. Line of Credit

In August 2021, a line of credit of \$5,000,000 was secured from Northwest. The total line of credit available was \$5,000,000 as of December 31, 2025. The line of credit is secured by certain investments. Line of credit borrowings are on a demand basis subject to annual renewal within 120 days from fiscal year end. As of December 31, 2025 and 2024, there was \$0 outstanding on the line.

11. Contingencies

Little League is a defendant in several general liability claims. Little League's insurance carrier is undertaking an active defense of these exposures. Certain claims contain punitive damage allegations which are outside the realm of coverage. It is Little League management's opinion that the outcome of such litigation will not have a material adverse effect on Little League's combined financial position.