

LA LECHE LEAGUE INTERNATIONAL, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**March 31, 2011
and for the Year Then Ended**

LA LECHE LEAGUE INTERNATIONAL, INC.

Annual Financial Report

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Desmond & Ahern, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report

To the Board of Directors of
La Leche League International, Inc.
Schaumburg, IL

We have audited the accompanying statement of financial position of La Leche League International, Inc. (a non-profit organization) as of March 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the League's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior-year summarized comparative information has been derived from the League's 2010 financial statements in which we expressed an unqualified opinion.

We conducted our audit 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of La Leche League International, Inc. as of March 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information, as listed in the accompanying table of contents, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Desmond & Ahern, Ltd

June 17, 2011
Chicago, IL

LA LECHE LEAGUE INTERNATIONAL, INC
STATEMENT OF FINANCIAL POSITION
March 31, 2011 (with comparative totals for 2010)

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Current Assets		
Cash and equivalents	\$ 260,991	\$ 410,285
Investments	-	9,951
Accounts receivable, net of allowance of doubtful accounts of \$6,999 and \$31,567	183,203	122,207
Royalties receivable	157,660	138,660
Inventory	230,981	175,623
Prepaid expenses	33,867	27,553
Total current assets	<u>866,702</u>	<u>884,279</u>
Property, Office Equipment and Software Development		
Office and land	665,000	665,000
Office equipment, furniture and vehicle	349,941	344,651
Software development	1,339,518	1,305,133
	<u>2,354,459</u>	<u>2,314,784</u>
Less accumulated depreciation and amortization	<u>(1,249,184)</u>	<u>(944,519)</u>
Net property and equipment	<u>1,105,275</u>	<u>1,370,265</u>
Other Assets		
Cash and equivalents - restricted	10,483	10,202
Total Assets	<u><u>\$ 1,982,460</u></u>	<u><u>\$ 2,264,746</u></u>
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts payable	\$ 160,492	\$ 262,189
Accrued liabilities	9,373	9,939
Deferred revenue	-	10,267
Total current liabilities	<u>169,865</u>	<u>282,395</u>
Net Assets		
Unrestricted		
General	1,666,701	1,679,819
Board designated	50,950	243,132
Total unrestricted net assets	<u>1,717,651</u>	<u>1,922,951</u>
Temporarily restricted	84,844	49,300
Permanently restricted	10,100	10,100
Total net assets	<u>1,812,595</u>	<u>1,982,351</u>
Total Liabilities and Net Assets	<u><u>\$ 1,982,460</u></u>	<u><u>\$ 2,264,746</u></u>

See independent auditor's report and notes to financial statements.

LA LECHE LEAGUE INTERNATIONAL, INC
STATEMENT OF ACTIVITIES
For the Year Ended March 31, 2011 (with comparative totals for 2010)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2011 Total</u>	<u>2010 Total</u>
<u>Revenues</u>					
Publications, net of discounts and returns of \$16,773 and \$13,523	\$ 494,980	\$ -	\$ -	\$ 494,980	\$ 485,035
Periodicals	26,994	-	-	26,994	34,522
Membership dues	326,583	-	-	326,583	594,083
Royalty income	391,287	-	-	391,287	327,044
Workshop and seminar fees	1,100	-	-	1,100	650
Miscellaneous	8,856	-	-	8,856	7,760
Contributions	417,516	49,781	-	467,297	376,349
In-kind contributions	-	16,071	-	16,071	6,331
Net assets released from restrictions	30,891	(30,891)	-	-	-
Total Revenues	<u>1,698,207</u>	<u>34,961</u>	<u>-</u>	<u>1,733,168</u>	<u>1,831,774</u>
<u>Expenses</u>					
Supporting Services					
Management and operations	355,343	-	-	355,343	420,257
Fundraising	207,438	-	-	207,438	216,323
Total Supporting Services	<u>562,781</u>	<u>-</u>	<u>-</u>	<u>562,781</u>	<u>636,580</u>
Program services	<u>1,342,381</u>	<u>-</u>	<u>-</u>	<u>1,342,381</u>	<u>1,477,176</u>
Total Expenses	<u>1,905,162</u>	<u>-</u>	<u>-</u>	<u>1,905,162</u>	<u>2,113,756</u>
(Decrease) Increase in Net Assets from Operations	<u>(206,955)</u>	<u>34,961</u>	<u>-</u>	<u>(171,994)</u>	<u>(281,982)</u>
Other Income					
Interest income	<u>1,655</u>	<u>583</u>	<u>-</u>	<u>2,238</u>	<u>5,279</u>
Total Other Income	<u>1,655</u>	<u>583</u>	<u>-</u>	<u>2,238</u>	<u>5,279</u>
Net (Decrease) Increase in Net Assets	<u>(205,300)</u>	<u>35,544</u>	<u>-</u>	<u>(169,756)</u>	<u>(276,703)</u>
Net Assets					
Beginning of year	<u>1,922,951</u>	<u>49,300</u>	<u>10,100</u>	<u>1,982,351</u>	<u>2,259,054</u>
End of year	<u>\$ 1,717,651</u>	<u>\$ 84,844</u>	<u>\$ 10,100</u>	<u>\$ 1,812,595</u>	<u>\$ 1,982,351</u>

See independent auditor's report and notes to financial statements.

LA LECHE LEAGUE INTERNATIONAL, INC
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2011 (with comparative totals for 2010)

	<u>2011</u>	<u>2010</u>
<u>Operating Activities</u>		
Net (decrease) in net assets	\$ (169,756)	\$ (276,703)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	304,665	295,642
Donation of stock	9,951	(4,960)
Change in		
Accounts receivable	(79,996)	204,127
Inventory	(55,358)	3,427
Prepaid expenses and deposits	(6,314)	(6,168)
Accounts payable and accrued expenses	(102,263)	(101,662)
Deferred revenue	(10,267)	(148,152)
Net cash (used in) operating activities	<u>(109,338)</u>	<u>(34,449)</u>
<u>Investing Activities</u>		
Purchase of property, office equipment and software development	<u>(39,675)</u>	<u>(185,281)</u>
Net cash (used in) investing activities	<u>(39,675)</u>	<u>(185,281)</u>
Net (decrease) in cash and cash equivalents	(149,013)	(219,730)
Cash and equivalents, beginning of year	<u>420,487</u>	<u>640,217</u>
Cash and equivalents, end of year	<u>\$ 271,474</u>	<u>\$ 420,487</u>
As Reflected on Statement of Financial Position		
Current unrestricted assets	\$ 260,991	\$ 410,285
Other assets, restricted	10,483	10,202
	<u>\$ 271,474</u>	<u>\$ 420,487</u>

See independent auditor's report and notes to financial statements.

LA LECHE LEAGUE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2011

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities and Organization

La Leche League International, Inc. (La Leche League) is an Illinois not-for-profit, nonsectarian membership organization. It was formed in 1956 for the purpose of offering encouragement, information, and support to women who choose to breastfeed their babies and, in so doing, to foster good mothering through breastfeeding.

La Leche League has its international headquarters in Schaumburg, Illinois. The major services provided to support members and others are educational in nature. Funding for these services is derived primarily from publication and product sales, contributions and membership dues. La Leche League's services and products are provided to members and others throughout the world.

Individuals have formed various autonomous local groups which have associated with La Leche League. These groups are issued a certificate of affiliation, contribute annual membership fees, and agree to conduct their affairs in accordance with the general bylaws of La Leche League. These groups operate independently and, therefore, the activity of such groups is not presented in the financial statement of La Leche League.

Basis of Accounting

The accounts are maintained on the accrual basis of accounting and accordingly, reflect all significant accounts receivable, payable, and other liabilities in conformity with accounting principles applicable to non-profit organizations.

Basis of Presentation

La Leche League reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets, as required by Generally Accepted Accounting Principles (GAAP).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Functional Cost Allocation

The cost of providing the various programs and supporting services have been summarized on a functional basis. Accordingly, certain administrative costs have been allocated among programs and supporting services.

LA LECHE LEAGUE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2011

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (cont.)

Cash and Equivalents

For purposes of the combined Statement of Cash Flows, money market funds and certificates of deposit are considered cash equivalents.

Restricted cash relating to the endowment fund in Note 7 amounts to \$10,483 at March 31, 2011.

Investments

Investments are carried at fair value as determined by quoted market prices and consist of common stock.

Description of Program and Supporting Services

The following program and supporting services are included in the financial statements:

Publications include books, pamphlets, tear-off sheets and other educational materials that provide information about breastfeeding to parents as well as health care professionals. Also included are products related to breastfeeding, childbirth, and parenting that La Leche League distributes through mail and online order sales.

Periodicals include publishing one bimonthly and one quarterly magazine, one that provides information on breastfeeding for La Leche League members and the other that provides information and organizational background for La Leche League leaders who provide one-to-one support to mothers.

Leader Support the Leader, using her experience and La Leche League training, provides and facilitates mother-to-mother support. Leaders help mothers in person or on the phone, conduct monthly meetings, supervise the management of the group, and keep up-to-date on breastfeeding issues.

External Relations and Advocacy this program nurtures the establishment of networking relationships with external agencies, private voluntary organizations, and nongovernmental organizations who work in maternal/child healthcare, nutrition and community development to further breastfeeding support and information, as well as increase La Leche League visibility and credibility.

Public Relations responds to the media, organizations, educational groups, health agencies, the general public, and La Leche League membership regarding the mission, philosophy and position on breastfeeding issues. Press releases, web site information, and other communiqués are used to accomplish these goals.

LA LECHE LEAGUE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2011

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (cont.)

Customer Service/Order Department enters catalog orders, answers questions, and provides information on products and services offered by La Leche League to customers.

Exhibits that promote the latest information, resources and materials for mother and health professionals.

Management and General includes the functions necessary to maintain an equitable employment program, ensure an adequate working environment, and provide coordination and articulation of La Leche League’s programs and mission, as well as the financial and budgetary responsibilities of La Leche League.

Board of Directors establishes policy, governs the business and affairs of La Leche League, and hires the Executive Director. The Board is comprised of no fewer than nine and no more than fourteen members from throughout the world. The Board meets twice a year and conducts business between meetings as necessary.

Fundraising spring and fall appeals are conducted to individual donors. The Fundraising Director sends acknowledgements to donors, explores commercial relationships for the Organization, and pursues financial support from foundations, governments and corporations.

Inventory

Inventory, which primarily consists of finished books on breastfeeding, is valued on the first-in, first-out method.

Property, Office Equipment and Software Development

Property and equipment is recorded at historical cost. La Leche League capitalizes fixed asset additions over \$500. Depreciation is computed by use of the straight-line method for all property and equipment.

The estimated useful lives used in computing depreciation and amortization are as follows:

Office	40 years
Office equipment, furniture, and vehicles	5 - 10 years
Software development	5 years

Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in the statement of activities.

LA LECHE LEAGUE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2011

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (cont.)

Deferred Revenues

Deferred revenue includes membership fees, subscriptions, and workshop, seminar, and biannual conference fees received in the current period which are applicable to a future period.

Contributions

Contributions are recognized when the donor makes a promise to give to La Leche League that is, in substance, unconditional. Promises to give payable over more than one year are recorded at present value. Contributions of cash and other assets are recorded as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires; that is, when a stipulated time restriction ends or purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restrictions on permanently restricted contributions never expire; the assets must be invested in perpetuity.

La Leche League reports gifts of long lived assets as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, La Leche League reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. La Leche League did not receive any gifts of long-lived assets during the year ended June 30, 2011.

Donated Services

Donated services are required to be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services are recorded as in-kind contributions in the Statement of Activities as both an expense and contribution. For the year ended March 31, 2011, the donated services were \$16,071.

Advertising and Promotional Expenses

Advertising and promotional expenses are expensed as they are incurred. In 2011, La Leche League recognized \$21,435 in promotional expense.

Income Taxes

La Leche League is a nonprofit organization which has been granted a tax-exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code of the United States. La Leche League is required to pay Federal and State income taxes only on its net unrelated business income. For the year ended March 31, 2011, no tax provision was deemed necessary by management.

LA LECHE LEAGUE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2011

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (cont.)

Income Taxes (cont.)

The tax exempt purpose of La Leche League and the nature in which it operates is described in the first paragraph of this note. La Leche League continues to operate in compliance with its tax exempt purpose and management's assessment is there are no uncertain tax positions. The annual information and income tax returns filed with the federal and state governments are subject to examination for the statutory period.

Reclassifications

Certain items in the prior year financial statements have been reclassified to conform to the current year's presentation.

Note 2 – Concentration of Credit Risk in Cash

La Leche League maintains cash equivalents in certain financial institutions. No amounts exceeded the federally insured limits at March 31, 2011.

Note 3 – Fair Value Measurements and Investments

Professional accounting standards defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in La Leche League's principal or most advantageous market in an orderly transaction between market participants on the measurement date.

Professional accounting standards establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other 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 other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

LA LECHE LEAGUE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2011

Note 3 – Fair Value Measurements (cont.)

The fair value of debt and equity investments that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) or by quoted market prices of similar securities with similar due dates or matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on securities' relationship to other benchmark quoted securities (Level 2 inputs).

Assets Measured on a Recurring Basis

Assets measured at fair value on a recurring basis are summarized below:

	<u>Fair Value Measurements at March 31, 2011</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	<u>\$ -</u>	<u>\$ 10,483</u>	<u>\$ -</u>
	<u>Fair Value Measurements at March 31, 2010</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate stocks	\$ 9,951	\$ -	\$ -
Certificates of deposit	-	10,202	-
	<u>\$ 9,951</u>	<u>\$ 10,202</u>	<u>\$ -</u>

In the accompanying Statement of Financial Position certificates of deposit are reflected as cash and cash equivalents, permanently restricted endowment of \$10,483 and \$10,202 at March 31, 2011 and 2010.

Note 4 – Publication Royalty

During the year ended March 31, 2009, La Leche League entered into an agreement with Random House Publishing for the development and ultimate publication of three manuscripts. Revenue is being recognized by management as agreed-upon milestones are substantially met. If all milestones are met, the aggregate royalty could total \$600,000. As of March 31, 2011, \$325,000 was received pertaining to this agreement.

Note 5 – Permanently Restricted Net Assets

In July 1997, a donation of \$10,000 was received to establish an endowment fund. The investment income earned on the endowment fund is to be used to support general operating expenses.

LA LECHE LEAGUE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2011

Note 6 – Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of March 31, 2011:

Leader accreditation development	\$ 433
CBI (reference library)	4,246
Latch On	1,526
Editor	2,415
Restricted endowment interest	337
LLLI Isdell - Zambia project	40,074
Medela	2,488
LLLI office/projects	29,493
800 Spanish Line	1,179
Miscellaneous restricted	2,653
	<u>\$ 84,844</u>

Note 7 – Net Assets Released from Restrictions

Net assets were released from donor restrictions during the year ended March 31, 2011 by incurring expenses satisfying the following restricted purposes specified by donors:

Board training	\$ 473
External & Advocacy	256
Information systems project	58
CBI (reference library)	3,619
In-kind donations	16,071
Office projects	614
Strategic	4
WABA	1,975
8th Edition WAB Appeal	7,821
	<u>\$ 30,891</u>

Note 8 – Lease and Other Commitments

La Leche League is the lessee of office equipment under several operating leases. There is also a contract for software maintenance and ongoing services related to the membership database.

LA LECHE LEAGUE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2011

Note 8 – Lease and Other Commitments (cont.)

Minimum future payments under operating leases and software agreement are as follows:

<u>Year Ending March 31,</u>	<u>Amount</u>
2012	\$ 9,173
2013	3,657
2014	131
	<u>\$ 12,961</u>

Note 9 – Volunteer Services

No amounts have been reflected in the financial statements for donated services. La Leche League pays for most services requiring specific expertise. Many individuals volunteer their time and perform a variety of tasks that assist La Leche League with specific assistance programs, mother to mother support, campaign solicitations, and various committee assignments. The value of these services has not been included in the financial statements.

Note 10 – Income Taxes

La Leche League receives advertising revenues which are considered unrelated business income and are taxed on a net basis after related expenses. For the year ended March 31, 2011, a tax provision was not considered material to the financial statements.

Note 11 – Unrestricted Board Designated Funds

The Board, in fiscal year ended March 31, 2011, designated \$50,950 in royalty revenue from the Lansinoh as an emergency fund. The royalty revenue is to be segregated and only to be used at the Board's discretion.

Note 12 – Line of Credit

La Leche League is obligated for credit cards issued in its name. At March 31, 2011, La Leche League's total available line of credit related to these credit cards is \$50,000, of which, \$37,486 was available at March 31, 2011.

Note 13 – Global Business Model

La Leche League International plays a critical role in the cohesion of the global La Leche League Community. In October 2008, La Leche League International's Board of Directors approved a business outline for moving forward. La Leche League International will focus on setting policies binding on all leaders of the community worldwide; will focus on the management of the La Leche League International brand including oversight of the publishing of books

LA LECHE LEAGUE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2011

Note 13 – Global Business Model (cont.)

and licensing and endorsement of products; will focus on the maintenance of leader recruitment, accreditation and education in multiple languages and cultural contexts; will focus on development of public information and education and the assessment and availability of medical and professional information.

La Leche League will concentrate on the external revenue sources of donations, book royalties, brand licensing, royalties, and public book sales. The League has and will continue to pursue cost sharing arrangements with the La Leche League Global Community

Note 14 – UPMIFA

La Leche League’s endowment includes donor-restricted endowment funds. Net assets associated with La Leche League’s endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

La Leche League accounts for endowment net assets by preserving the fair value of the original give as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result, La Leche League classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the endowment fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by Illinois UPMIFA.

It is the policy of La Leche League to manage the endowment fund in a manner that will, at a minimum, preserve and maintain the relative stability of the principal, with income the primary objective and growth secondary. The expectation is that 100% of the investments are held in cash and cash equivalents.

The endowment net asset composition by type of fund at March 31, 2011 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ 46</u>	<u>\$ 337</u>	<u>\$ 10,100</u>	<u>\$ 10,483</u>

LA LECHE LEAGUE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2011

Note 14 – UPMIFA (cont.)

Changes in endowment net assets for the fiscal year ending March 31, 2011 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 46	\$ 56	\$ 10,100	\$ 10,202
Investment Return				
Investment income	-	281	-	281
Net appreciation (realized/unrealized)	-	-	-	-
	<u>-</u>	<u>281</u>	<u>-</u>	<u>281</u>
Contributions	-	-	-	-
Appropriation of endowment assets for expenditure	-	-	-	-
Endowment net assets, end of year	<u>\$ 46</u>	<u>\$ 337</u>	<u>\$ 10,100</u>	<u>\$ 10,483</u>

Note 15 – Contingency

La Leche League is a party to a lawsuit brought against it as the result of its normal business operations. Legal counsel has not concluded that the likelihood of an unfavorable outcome is either probable or remote.

Note 16 – Subsequent Events

For the year ended March 31, 2011, La Leche League's management has evaluated subsequent events through June 17, 2011, which is the date the financial statements were available to be issued. No subsequent events have been identified that are required to be disclosed.

SUPPLEMENTARY INFORMATION

LA LECHE LEAGUE INTERNATIONAL, INC
SCHEDULE OF EXPENSES BY NATURAL CLASSIFICATION
For the Year Ended March 31, 2011 (with comparative totals for 2010)

	Program	Management and General	Fundraising	2011 Total	2010 Total
Personnel					
Salaries	\$ 319,020	\$ 137,366	\$ 70,412	\$ 526,798	\$ 629,845
Payroll taxes	15,849	9,478	4,766	30,093	33,757
Benefits	17,058	10,646	7,709	35,413	37,305
Total Salaries	<u>351,927</u>	<u>157,490</u>	<u>82,887</u>	<u>592,304</u>	<u>700,907</u>
Automotive	394	208	73	675	593
Bank fees	2,607	1,378	485	4,470	9,140
Building expenses	16,143	8,537	3,006	27,686	23,732
Charge card fees	15,597	-	-	15,597	15,248
Depreciation and amortization	177,644	93,940	33,081	304,665	295,642
Dues and subscriptions	2,422	325	2,539	5,286	13,353
Equipment rental, repairs and maintenance	6,896	1,851	652	9,399	41,540
Filing and license fees	-	31	-	31	25
General insurance	30,885	16,333	5,751	52,969	49,898
Latch On	-	-	-	-	1,718
Meals and lodging	68,689	10,643	3,896	83,228	72,876
Medela	-	-	-	-	1,608
Miscellaneous expense	-	819	-	819	4,770
Payroll service fees	2,084	1,102	388	3,574	3,611
Postage	55,189	1,395	3,098	59,682	89,736
Printing and copying	-	-	-	-	210
Professional/outside services	44,665	156	47,000	91,821	56,371
Repairs and maintenance	123,666	12,461	4,388	140,515	156,719
Accounting fees	14,059	7,434	2,618	24,111	22,708
Legal	34,588	8,375	2,949	45,912	60,929
Promotional	18,468	-	2,967	21,435	9,996
Purchase expense	9,296	-	-	9,296	56,678
Supplies	12,667	3,786	1,132	17,585	18,543
Telephone	10,579	5,139	1,810	17,528	29,313
Travel and meetings	50,646	12,140	4,275	67,061	102,639
Unemployment	6,851	-	-	6,851	27,572
Utilities	18,952	10,022	3,529	32,503	28,934
Cost of goods sold	267,467	1,778	914	270,159	218,747
	<u>\$ 1,342,381</u>	<u>\$ 355,343</u>	<u>\$ 207,438</u>	<u>\$ 1,905,162</u>	<u>\$ 2,113,756</u>

See independent auditor's report and notes to financial statements.

LA LECHE LEAGUE INTERNATIONAL, INC
SCHEDULE OF PROGRAM SERVICES EXPENSE
For the Year Ended March 31, 2011 (with comparative totals for 2010)

	<u>2011</u>	<u>2010</u>
Publications	\$ 694,479	\$ 716,391
Leader support	76,293	97,398
Conference/exhibits	123,199	68,612
External relations and advocacy	65,820	114,099
Public relations	55,375	50,963
Customer service/order department	176,264	212,578
Workshops and seminars	-	49,893
Breastfeeding education	97,427	117,719
Help line	53,524	49,523
	<u>\$ 1,342,381</u>	<u>\$ 1,477,176</u>

See independent auditor's report and notes to financial statements.