



Gary McGee & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS

The Lawyers' Campaign for Equal Justice

Financial Statements and Other Information
as of and for the Year Ended March 31, 2011
and Report of Independent Accountants

THE LAWYERS' CAMPAIGN FOR EQUAL JUSTICE

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REPORT OF INDEPENDENT ACCOUNTANTS

*The Board of Directors
The Lawyers' Campaign for Equal Justice:*

We have audited the accompanying statement of financial position of The Lawyers' Campaign for Equal Justice 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 Lawyers' Campaign for Equal Justice'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 financial statements of The Lawyers' Campaign for Equal Justice as of March 31, 2010, and, in our report dated July 22, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Lawyers' Campaign for Equal Justice's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2011 financial statements referred to above present fairly, in all material respects, the financial position of The Lawyers' Campaign for Equal Justice 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included on pages 16 through 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, which is also the responsibility of the management of The Lawyers' Campaign for Equal Justice, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

June 28, 2011

THE LAWYERS' CAMPAIGN FOR EQUAL JUSTICE

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2011

(WITH COMPARATIVE AMOUNTS FOR 2010)

	2011	2010
Assets:		
Cash and cash equivalents	\$ 571,333	598,160
Grants and contributions receivable (<i>note 3</i>)	316,411	224,058
Beneficial interest in assets held by the Oregon Community Foundation (<i>note 4</i>)	426,188	277,845
Prepaid expenses and other assets	4,214	2,263
Furniture and equipment (<i>note 5</i>)	—	—
Total assets	\$ 1,318,146	1,102,326
Liabilities:		
Accounts payable and accrued expenses	5,364	365
Grants payable	729,000	676,800
Total liabilities	734,364	677,165
Net assets:		
Unrestricted:		
Available for programs and general operations	65,494	131,603
Designated by the Board of Directors for endowment (<i>note 6</i>)	189,603	168,844
Total unrestricted	255,097	300,447
Temporarily restricted (<i>note 6</i>)	119,905	20,409
Permanently restricted for endowment (<i>note 6</i>)	208,780	104,305
Total net assets	583,782	425,161
Commitments (<i>note 9</i>)		
Total liabilities and net assets	\$ 1,318,146	1,102,326

See accompanying notes to financial statements.

THE LAWYERS' CAMPAIGN FOR EQUAL JUSTICE

STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2011
(WITH COMPARATIVE TOTALS FOR 2010)

	2011			Total	2010
	Unrestricted	Temporarily restricted	Permanently restricted		
Operating revenues, gains, and other support:					
Grants and contributions	\$ 953,995	153,650	–	1,107,645	1,020,983
In-kind contributions	4,390	–	–	4,390	3,249
Ticket revenue	10,115	–	–	10,115	16,350
Contract revenue	–	–	–	–	3,570
Investment income	3,418	–	–	3,418	4,042
Total operating revenues and gains	971,918	153,650	–	1,125,568	1,048,194
Net assets released from restrictions (note 7)	72,477	(72,477)	–	–	–
Total operating revenues, gains, and other support	1,044,395	81,173	–	1,125,568	1,048,194
Expenses (note 8):					
Program services:					
Grants	730,000	–	–	730,000	676,800
Education and outreach	128,517	–	–	128,517	119,782
Funding initiatives	68,628	–	–	68,628	67,793
Total program services	927,145	–	–	927,145	864,375
Supporting services:					
Management and general	52,832	–	–	52,832	53,693
Fundraising	130,527	–	–	130,527	128,338
Total supporting services	183,359	–	–	183,359	182,031
Total expenses	1,110,504	–	–	1,110,504	1,046,406
Increase (decrease) in net assets before non-operating activities	\$ (66,109)	81,173	–	15,064	1,788

Continued

THE LAWYERS' CAMPAIGN FOR EQUAL JUSTICE

STATEMENT OF ACTIVITIES, CONTINUED

YEAR ENDED MARCH 31, 2011
(WITH COMPARATIVE TOTALS FOR 2010)

	2011			Total	2010
	Unrestricted	Temporarily restricted	Permanently restricted		
Non-operating activities:					
Endowment gifts	\$ —	—	104,475	104,475	4,960
Net change in beneficial interest in assets held by the Oregon Community Foundation (<i>note 4</i>)	20,759	18,323	—	39,082	67,066
Total non-operating activities	20,759	18,323	104,475	143,557	72,026
Increase (decrease) in net assets	(45,350)	99,496	104,475	158,621	73,814
Net assets at beginning of year	300,447	20,409	104,305	425,161	351,347
Net assets at end of year	\$ 255,097	119,905	208,780	583,782	425,161

See accompanying notes to financial statements.

THE LAWYERS' CAMPAIGN FOR EQUAL JUSTICE

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2011
(WITH COMPARATIVE TOTALS FOR 2010)

	2011	2010
Cash flows from operating activities:		
Cash received from donors and grantors	\$ 1,015,292	974,638
Cash received from other sources	10,115	19,920
Cash received from interest income	3,418	4,042
Cash paid to grantees	(677,800)	(720,000)
Cash paid to employees and suppliers	(373,066)	(382,586)
Net cash used in operating activities	(22,041)	(103,986)
Cash flows from investing activities:		
Additions to assets held by the Oregon Community Foundation <i>(note 4)</i>	(109,261)	(100)
Purchase of short-term investments	-	(646)
Cash received on the sale of short-term investments	-	684
Net cash used in investing activities	(109,261)	(62)
Cash flows from financing activities:		
Proceeds from contributions restricted to long-term investment	104,475	4,960
Net cash provided by financing activities	104,475	4,960
Net decrease in cash and cash equivalents	(26,827)	(99,088)
Cash and cash equivalents at beginning of year	598,160	697,248
Cash and cash equivalents at end of year	\$ 571,333	598,160

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2011

1. Organization

The Lawyers' Campaign for Equal Justice was established in 1991 as a private, nonprofit organization located in Portland, Oregon, and works to support 100 legal aid attorneys in 19 communities throughout the State of Oregon. The Campaign's mission is to champion access to justice for low-income Oregonians through education and by working to increase funding for legal aid. The Oregon legal community has responded generously, helping the Campaign raise almost \$20 million over the last 20 years.

During the year ended March 31, 2011, the Campaign incurred program service expenses in the following major categories:

- *Education and Outreach* – The Campaign educates the community on the work being done by Oregon's legal services programs, and also on the great need for increased services.
- *Funding Initiatives* – Because only 20% of the legal needs of low-income Oregonians can be met with current resources, the Campaign works to increase funding through grants, foundation support, state and federal funding, and direct fundraising from private attorneys.

The Campaign and its volunteers also work to increase state, federal, and other private funding of organizations working on behalf of legal aid throughout the state. Because these receipts do not flow through the Campaign's accounts and are recorded directly in the financial statements of the organizations benefited, the accompanying financial statements do not reflect these increases.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the Campaign are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Basis of Presentation – The Campaign has adopted the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 958-605, *Revenue Recognition* and FASB ASC No. 958-205 *Presentation of Financial Statements*. Under these provisions, net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Campaign and changes therein are classified and reported as follows:

- *Unrestricted net assets* – Net assets not subject to donor-imposed stipulations. This category includes unrestricted net assets that the Campaign's Board of Directors has set aside to function as a true endowment fund.

- *Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that will be met either by actions of the Campaign and/or the passage of time. These balances represent the unexpended portion of externally restricted contributions and investment return to be used for specific programs and activities as directed by the donor.
- *Permanently restricted net assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Campaign. Generally, the donors of these assets permit the Campaign to use all or part of the income earned on related investments for general or specific purposes.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the opinion of the Campaign’s management, such differences, if any, would not be significant.

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Pledges for the support of future operations, programs, and activities are recorded at the present value of the estimated future cash flows, net of an allowance for contributions receivable doubtful of collection. The allowance for contributions receivable doubtful of collection is provided based upon management’s judgment and such factors as prior collection history, type of contribution, and nature of the fundraising activity.

Contributions of capital assets without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire capital assets with such donor stipulations are reported as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

Outstanding Legacies – The Campaign is the beneficiary under various wills and trust agreements, the total realizable amounts of which are not presently determinable. The Campaign's share of such bequests is recorded when the probate court has declared the testamentary instrument valid and the proceeds are measurable. Management estimates that the Campaign is currently a beneficiary of various wills and trusts for amounts totaling approximately \$250,000.

In-Kind Contributions – Significant services received which create or enhance a non-financial asset or require specialized skills that the Campaign would have purchased if not donated are recognized in the statement of activities. During the year ended March 31, 2011, the Campaign recorded \$2,340 in contributed accounting services.

In-kind contributions of equipment and other materials and free use of facilities are recorded when there is an objective basis upon which to value the contributions and where the contributions are an essential part of the Campaign's activities. During the year ended March 31, 2011, the Campaign recorded \$2,050 in contributed small office equipment.

Cash Equivalents – For purposes of the financial statements, the Campaign considers all liquid investments having initial maturities of three months or less to be cash equivalents. At March 31, 2011, the Campaign held \$250,729 in money market funds.

Capital Assets and Depreciation – Capital assets are carried at cost when purchased, or at fair market value when acquired by gift. Purchases of capital assets having a unit cost of \$500 or more and an estimated useful life of more than one year are capitalized and carried at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, which is generally five years for furniture and office equipment.

Revenue Recognition – All contributions and grants are considered available for unrestricted use unless specifically restricted by a donor. Service revenues are recognized at the time services are provided and the revenues are earned.

Grants Awarded – Grants are accrued when awarded by the Campaign and unconditional. Grants are provided from available resources and in accordance with restrictions imposed by donors.

Endowment Funds and Interpretation of Relevant Law – Effective January 1, 2008, the State of Oregon adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") which governs Oregon charitable institutions with respect to the management, investment, and expenditure of donor-restricted endowment funds.

The Board of Directors has interpreted Oregon's adoption of UPMIFA as requiring the Campaign to adopt investment and spending policies that preserve the fair value of the original gift as of the date of gift, absent explicit donor stipulations to the contrary. Although the Campaign has a long-term fiduciary duty to the donor (and to others) for a fund of perpetual duration, the preservation of the endowment's purchasing power is only one of several factors that are considered in managing and investing these funds. Furthermore, in accordance with UPMIFA, a portion of the endowment's original gift may be appropriated for expenditure in support of the restricted purposes of the endowment if this is consistent with a spending policy that otherwise satisfies the requisite standard of prudence under UPMIFA.

As a result of this interpretation, the Campaign classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) subsequent gifts to the endowment, and (3) accumulations made pursuant to the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Net earnings (realized and unrealized) on the investment of endowment assets are classified as temporarily restricted until those amounts are appropriated for expenditure by the Campaign in a manner consistent with the standard of prudence prescribed by UPMIFA and until expended in a manner consistent with the purpose or time restrictions, if any, imposed by the donor. Any investment return classified as permanently restricted represents only those amounts required to be retained permanently as a result of explicit donor stipulations.

With regard to endowment losses or appropriations in excess of the fair value of the original gift, in accordance FASB ASC No. 958-320, *Investments – Debt and Equity Securities*, the portion of a donor restricted endowment that is classified as permanently restricted is not reduced by losses on the investments of the fund, except to the extent required by the donor, including losses related to specific investments that the donor requires the Campaign to hold in perpetuity. Similarly, the amount of permanently restricted net assets is not reduced by the Campaign’s appropriations from the fund. In the absence of donor stipulations or law to the contrary, losses or appropriations of a donor-restricted endowment reduce temporarily restricted net assets to the extent that donor-imposed temporary restrictions on net appreciation of the fund have not been satisfied before the loss or appropriation occurs. Any remaining loss or appropriation reduces unrestricted net assets.

In accordance with UPMIFA, the Board of Directors has adopted investment and spending policies for endowment assets that will provide a predictable stream of funding to the programs and operations supported by its endowment, while also seeking to maintain the long-term purchasing power of the endowment assets. Therefore, the Board of Directors considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the Campaign and the fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Campaign; and
- The investment policies of the Campaign.

During the year ended March 31, 2011, the Campaign’s Board of Directors did not appropriate any funds for expenditure.

Operating Results – Results from operations in the statement of activities reflect all transactions increasing or decreasing unrestricted net assets except for the net change in the Campaign’s beneficial interest in assets held by the Oregon Community Foundation (“OCF”), net assets released from restrictions related to capital additions, gifts restricted by donors for capital purposes, gains and losses on the sale of long-lived assets that are peripheral to central operations, and endowment gifts.

Concentrations of Credit Risk – The Campaign’s financial instruments consist primarily of money market funds, and the Campaign’s beneficial interest in assets held by OCF. These financial instruments may subject the Campaign to concentrations of credit risk as, from time to time, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation (“FDIC”), the fair value of securities are dependent on the ability of the issuer to honor its contractual commitments, and the investments are subject to changes in fair values.

All interest bearing checking and savings accounts, money market deposit accounts, and certificates of deposit are insured by the FDIC for up to \$250,000 per depositor, per insured bank, for each account ownership category. In addition, Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act provides depositors with temporary unlimited coverage for noninterest-bearing transaction accounts. This unlimited protection became effective on December 31, 2010 and terminates on December 31, 2012. At March 31, 2011, the Campaign held \$325,328 in excess of the FDIC-insured limits.

The Campaign's beneficial interest in funds held by the OCF is dependent upon changes in the fair values of the underlying investments and the ability of the OCF to honor its commitment.

Finally, grants and contributions receivable also subject the Campaign to concentrations of credit risk, although this risk is considered to be limited due to the large number of funders to the Campaign and their geographic dispersion.

Income Taxes – The Campaign is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and comparable state law, and is a publicly supported organization as defined in Sections 170(b)(1)(A)(vi) and 509(a)(1). Contributions to the Campaign qualify for applicable charitable contribution deductions. For tax purposes, the Campaign's open audit periods are for the years ended March 31, 2008 through 2010.

Subsequent Events – As required by FASB ASC No. 855, *Subsequent Events*, subsequent events have been evaluated by management through June 28, 2011, which is the date the financial statements were available to be issued.

Summarized Financial Information for 2010 – The accompanying financial information as of and for the year ended March 31, 2010, is presented for comparative purposes only and is not intended to represent a complete financial statement presentation.

Other Significant Accounting Policies – Other significant accounting policies are set forth in the financial statements and the following notes.

3. Grants and Contributions Receivable

Grants and contributions receivable totaled \$316,411 at March 31, 2011 and represented unconditional promises expected to be collected in less than one year as follows:

Contributions receivable	\$ 344,621
Less allowance for doubtful collection	(28,210)
	\$ 316,411

4. Beneficial Interest in Assets Held by the Oregon Community Foundation

The Oregon Community Foundation holds two funds on behalf of the Campaign: The Campaign for Equal Justice Endowment Fund (with an estimated fair value of \$409,484 at March 31, 2011) (representing both donor-restricted endowment and Board-designated endowment) and the Jackson County Center for Nonprofit Legal Services Endowment Fund (with an estimated fair value of \$16,704 at March 31, 2011).

Both funds were established by a predecessor organization (the Oregon Access to Justice Endowment Fund) through a transfer of assets to the Oregon Community Foundation in return for the contractual promise of a perpetual stream of future distributions back to the Campaign, based on OCF's spending rate and related policies (described below). Although OCF accepted the transferred assets subject to its own variance power, the Campaign has retained a future economic beneficial interest in the transferred assets, having named itself as the beneficiary of the transferred funds and related future investment return. In accordance with FASB ASC No. 958-605, *Revenue Recognition*, the Campaign accounts for its interest in these funds using the equity method of accounting, which approximates the present value of the estimated expected future cash flow that will inure to the Campaign.

Changes in the Campaign's beneficial interest in these funds for the year ended March 31, 2011 are summarized as follows:

Balance at beginning of year	\$ 277,845
Plus additions	109,261
Plus increase in the fair market value of the funds	39,082
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Balance at end of year	\$ 426,188

Under the terms of its agreement with the Oregon Community Foundation, the funds are invested at the discretion of OCF and are held in a mixture of asset classes designed to maximize return while minimizing risk. The Campaign may receive quarterly distributions of investment return in accordance with OCF's spending policies (currently 4.5% of a trailing 13-quarter market value average). Additional distributions can be made at any time by the affirmative vote of the majority of the Campaign's Board of Directors and the approval of the Oregon Community Foundation. During the year ended March 31, 2011, there were no distributions made to the Campaign.

At March 31, 2011 these assets are held for the following purposes:

Donor-restricted endowment funds	\$ 199,445
Unappropriated endowment earnings	37,140
Funds designated by the Board of Directors for endowment	189,603
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	\$ 426,188

In addition, the Campaign held \$9,335 of endowment funds in cash and cash equivalents at March 31, 2011.

5. Furniture and Equipment

A summary of furniture and equipment at March 31, 2011, is as follows:

Office furniture and equipment	\$ 9,757
Less accumulated depreciation	(9,757)
<hr/>	
	\$ -

6. Restrictions and Limitations on Net Asset Balances

Designated by the Board of Directors for Endowment

At March 31, 2011, the Campaign's Board of Directors had designated and set aside \$189,603 for endowment purposes.

Temporarily Restricted Net Assets

Temporarily restricted net assets at March 31, 2011 total \$119,905 and consist of grants and contributions, and unexpended revenues and gains available for specific program services or future periods, as follows:

Unappropriated endowment earnings:

Herbold Fund for the representation of the elderly	\$ 28,561
Services in Jackson County	4,604
Unappropriated unrestricted endowment earnings	3,975
Future periods	82,765
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	\$ 119,905

Continued

Permanently Restricted Net Assets

At March 31, 2011, the Campaign held \$208,780 in endowment funds. The return generated by the investment of these permanently restricted net assets is restricted or unrestricted as follows:

Herbold Fund for the representation of elderly Services in Jackson County Unrestricted	\$ 92,914 12,100 103,766
	\$ 208,780

The Campaign’s endowment consists of individual funds established for a variety of purposes, and includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowment. As required by generally accepted accounting principles, net assets associated with endowment, including funds designated by the Board of Directors to function as endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

The following summarizes the Campaign’s endowment-related activities for the year ended March 31, 2011:

	Donor-restricted endowment			Board-designated endowment Unrestricted	Total endowment
	Temporarily restricted	Permanently restricted	Total		
Endowment net assets at beginning of year	\$ 18,817	104,305	123,122	168,844	291,966
Contributions	–	104,475	104,475	–	104,475
Net increase in beneficial interest in assets held by the Oregon Community Foundation	18,323	–	18,323	20,759	39,082
Endowment net assets at end of year	\$ 37,140	208,780	245,920	189,603	435,523

7. Net Assets Released from Restrictions

During the year ended March 31, 2011, the Campaign incurred \$72,477 in expenses in satisfaction of the restricted purposes specified by donors, or satisfied the restrictions by the occurrence of other events. Accordingly, a corresponding amount has been reported as a reclassification from temporarily restricted net assets to unrestricted net assets in the accompanying statement of activities.

8. Expenses

The costs of providing the various programs and activities of the Campaign have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Costs by their natural classification are summarized in the schedule of functional expenses.

9. Operating Lease

The Campaign leases its office space under a lease agreement which expires on May 14, 2014. At March 31, 2011, the Campaign's aggregate lease commitments are as follows:

<i>Years ending March 31,</i>	
2012	\$ 21,977
2013	22,634
2014	23,315
2015	2,925
	<hr/>
	\$ 70,851

Rent expense for the year ended March 31, 2011, totaled \$23,208.

10. Fair Value Measurements

The accompanying financial statements report the Campaign's financial instruments at fair value. These assets have been classified, for disclosure purposes, based on a hierarchy defined by FASB ASC No. 820, *Fair Value Measurements and Disclosures*. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3).

At March 31, 2011, the Campaign's beneficial interest in assets held by the Oregon Community Foundation is reported at market value on a recurring basis under Level 3, representing future cash in-flows to the Campaign measured at fair value based upon a discounted cash flow analysis of the expected income to be derived from the Campaign's interest in these assets. Since the discount rate used for this analysis is considered to be identical to the return that market participants would expect on similar assets, the Campaign has measured the expected cash flows for its beneficial interest as equivalent to the fair value of the underlying assets held and owned by OCF. Management's estimate is based solely on information provided by OCF.

See note 4 for a summary of the beneficial interest in assets held by OCF and the associated activity for the year ended March 31, 2011.

11. Statement of Cash Flows Reconciliation

The following presents a reconciliation of the increase in net assets (as reported on the statement of activities) to net cash used in operating activities (as reported on the statement of cash flows):

Increase in net assets	\$ 158,621
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<i>Adjustments to reconcile increase in net assets to net cash used in operating activities:</i>	
Net change in beneficial interest in assets held by the Oregon Community Foundation (<i>note 4</i>)	(39,082)
Proceeds from contributions restricted for long-term investment	(104,475)
<i>Net changes in:</i>	
Grants and contributions receivable	(92,353)
Prepaid expenses and other assets	(1,951)
Accounts payable and accrued expenses	4,999
Grants payable	52,200
<hr/>	
Total adjustments	(180,662)
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Net cash used in operating activities	\$ (22,041)

THE LAWYERS' CAMPAIGN FOR EQUAL JUSTICE

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED MARCH 31, 2011
(WITH COMPARATIVE TOTALS FOR 2010)

	2011					Management and general
	Program services				Total	
	Grants	Education and outreach	Funding initiatives			
Grants	\$ 730,000	-	-	730,000	-	
Salaries and related expenses	-	72,792	46,646	119,438	26,139	
Contract services	-	28,470	5,075	33,545	16,679	
Printing	-	8,013	5,113	13,126	933	
Postage and mailing	-	3,584	1,765	5,349	451	
Office expenses	-	4,937	2,196	7,133	915	
Occupancy	-	6,962	5,338	12,300	3,249	
Telephone	-	1,567	728	2,295	443	
Insurance	-	-	-	-	2,020	
Travel and conferences	-	1,344	1,427	2,771	496	
Bank fees	-	10	-	10	175	
Depreciation	-	-	-	-	-	
Other	-	838	340	1,178	1,332	
Total expenses	\$ 730,000	128,517	68,628	927,145	52,832	

Supporting services

Fund-raising	Total	Total	2010
–	–	730,000	676,800
73,147	99,286	218,724	206,356
6,828	23,507	57,052	59,989
16,628	17,561	30,687	30,907
9,480	9,931	15,280	17,652
5,985	6,900	14,033	10,558
7,659	10,908	23,208	22,533
1,562	2,005	4,300	4,691
–	2,020	2,020	1,955
379	875	3,646	5,385
5,800	5,975	5,985	3,919
–	–	–	299
3,059	4,391	5,569	5,362
130,527	183,359	1,110,504	1,046,406

THE LAWYERS' CAMPAIGN FOR EQUAL JUSTICE

SCHEDULE OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2011

	General operating fund	Unrestricted Designated by Board of Directors for endowment	Total
Operating revenues, gains, and other support:			
Grants and contributions	\$ 953,995	–	953,995
In-kind contributions	4,390	–	4,390
Ticket revenue	10,115	–	10,115
Investment income	3,418	–	3,418
Total operating revenues and gains	971,918	–	971,918
Net assets released from restrictions	72,477	–	72,477
Total operating revenues, gains, and other support	1,044,395	–	1,044,395
Expenses:			
Program services	927,145	–	927,145
Management and general	52,832	–	52,832
Fundraising	130,527	–	130,527
Total expenses	1,110,504	–	1,110,504
Increase (decrease) in net assets before non-operating activities	(66,109)	–	(66,109)
Non-operating activities:			
Endowment gifts	–	–	–
Net increase in beneficial interest in assets held by the Oregon Community Foundation	–	20,759	20,759
Increase (decrease) in net assets	(66,109)	20,759	(45,350)
Net assets at beginning of year	131,603	168,844	300,447
Net assets at end of year	\$ 65,494	189,603	255,097

Donor restricted				
Temporarily restricted			Permanently restricted for endowment	Total
Contributions	Endowment earnings	Total		
153,650	–	153,650	–	1,107,645
–	–	–	–	4,390
–	–	–	–	10,115
–	–	–	–	3,418
153,650	–	153,650	–	1,125,568
(72,477)	–	(72,477)	–	–
81,173	–	81,173	–	1,125,568
–	–	–	–	927,145
–	–	–	–	52,832
–	–	–	–	130,527
–	–	–	–	1,110,504
81,173	–	81,173	–	15,064
–	–	–	104,475	104,475
–	18,323	18,323	–	39,082
81,173	18,323	99,496	104,475	158,621
1,592	18,817	20,409	104,305	425,161
82,765	37,140	119,905	208,780	583,782

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¹ Beginning January 1, 2010.

² Beginning January 1, 2011.

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THE LAWYERS' CAMPAIGN FOR EQUAL JUSTICE

INQUIRIES AND OTHER INFORMATION

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