



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, 2013
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 financial statements of The Lawyers' Campaign for Equal Justice, which comprise the statement of financial position as of March 31, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules on pages 18 through 21 are presented for purposes of additional analysis and are 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 statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Summarized Comparative Information

We have previously audited The Lawyers' Campaign for Equal Justice's 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 26, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Amy C. Co. LLP". The signature is written in a cursive, flowing style.

June 10, 2013

THE LAWYERS' CAMPAIGN FOR EQUAL JUSTICE

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2013

(WITH COMPARATIVE AMOUNTS FOR 2012)

	2013	2012
Assets:		
Cash and cash equivalents	\$ 640,121	546,998
Grants and contributions receivable (<i>note 3</i>)	156,752	233,808
Beneficial interest in assets held by the Oregon Community Foundation (<i>note 4</i>)	476,884	426,575
Prepaid expenses and other assets	7,237	7,170
Total assets	\$ 1,280,994	1,214,551
Liabilities:		
Accounts payable and accrued expenses	24,438	6,735
Grants payable (<i>note 5</i>)	734,638	720,288
Total liabilities	759,076	727,023
Net assets:		
Unrestricted:		
Available for programs and general operations	(16,608)	36,112
Designated by the Board of Directors for endowment (<i>note 6</i>)	204,039	189,774
Total unrestricted	187,431	225,886
Temporarily restricted (<i>note 6</i>)	103,367	45,497
Permanently restricted for endowment (<i>note 6</i>)	231,120	216,145
Total net assets	521,918	487,528
Commitments (<i>note 9</i>)		
Total liabilities and net assets	\$ 1,280,994	1,214,551

See accompanying notes to financial statements.

THE LAWYERS' CAMPAIGN FOR EQUAL JUSTICE

STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013			Total	2012
	Unrestricted	Temporarily restricted	Permanently restricted		
Operating revenues, gains, and other support:					
Grants and contributions	\$ 1,057,912	110,452	—	1,168,364	1,022,433
In-kind contributions	3,958	—	—	3,958	5,345
Ticket revenue	12,495	—	—	12,495	12,249
Investment income	436	—	—	436	868
Total operating revenues and gains	1,074,801	110,452	—	1,185,253	1,040,895
Net assets released from restrictions (note 7)	72,323	(72,323)	—	—	—
Total operating revenues, gains, and other support	1,147,124	38,129	—	1,185,253	1,040,895
Expenses (note 8):					
Program services:					
Grants	734,638	—	—	734,638	721,507
Education and outreach	160,376	—	—	160,376	142,585
Funding initiatives	83,568	—	—	83,568	73,483
Total program services	978,582	—	—	978,582	937,575
Supporting services:					
Management and general	64,057	—	—	64,057	59,327
Fundraising	157,205	—	—	157,205	147,999
Total supporting services	221,262	—	—	221,262	207,326
Total expenses	1,199,844	—	—	1,199,844	1,144,901
Increase (decrease) in net assets before non-operating activities	\$ (52,720)	38,129	—	(14,591)	(104,006)

Continued

THE LAWYERS' CAMPAIGN FOR EQUAL JUSTICE

STATEMENT OF ACTIVITIES, CONTINUED

YEAR ENDED MARCH 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013			Total	2012
	Unrestricted	Temporarily restricted	Permanently restricted		
Non-operating activities:					
Endowment gifts	\$ —	—	14,975	14,975	7,365
Net change in beneficial interest in assets held by the Oregon Community Foundation (<i>note 4</i>)	14,265	19,741	—	34,006	387
Total non-operating activities	14,265	19,741	14,975	48,981	7,752
Increase (decrease) in net assets	(38,455)	57,870	14,975	34,390	(96,254)
Net assets at beginning of year	225,886	45,497	216,145	487,528	583,782
Net assets at end of year	\$ 187,431	103,367	231,120	521,918	487,528

See accompanying notes to financial statements.

THE LAWYERS' CAMPAIGN FOR EQUAL JUSTICE

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013	2012
Cash flows from operating activities:		
Cash received from donors and grantors	\$ 1,245,420	1,105,036
Cash received from other sources	12,495	12,249
Cash received from interest income	436	868
Cash paid to grantees	(720,288)	(730,219)
Cash paid to employees and suppliers	(443,612)	(419,634)
Net cash provided by (used in) operating activities	94,451	(31,700)
Cash flows from investing activities:		
Additions to assets held by the Oregon Community Foundation (<i>note 4</i>)	(16,303)	—
Net cash used in investing activities	(16,303)	—
Cash flows from financing activities:		
Proceeds from contributions restricted to long-term investment	14,975	7,365
Net cash provided by financing activities	14,975	7,365
Net increase (decrease) in cash and cash equivalents	93,123	(24,335)
Cash and cash equivalents at beginning of year	546,998	571,333
Cash and cash equivalents at end of year	\$ 640,121	546,998

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

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 90 legal aid attorneys in 17 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 approximately \$22 million over the last 22 years.

During the year ended March 31, 2013, 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.
- *Other Funding Initiatives* – Because only 15% of the legal needs of low-income Oregonians can be met with current resources, the Campaign works to increase funding through grants, foundation support, and state and federal funding. 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 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, 2013, the Campaign recorded \$1,373 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, 2013, the Campaign recorded \$2,585 in contributed supplies and free use of facilities.

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, 2013, the Campaign held \$311,791 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 \$1,500 or more and an estimated useful life of more than one year are capitalized and carried at cost. As of March 31, 2013, the organization did not hold any capital assets with a unit cost greater than \$1,500.

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, 2013, 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 organization’s financial instruments consist primarily of cash equivalents, which may subject the organization to concentrations of credit risk as, from time to time, for example, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation. In addition, the market value of securities is dependent on the ability of the issuer to honor its contractual commitments, and the investments are subject to changes in market values. Certain receivables also subject the organization to concentrations of credit risk. Management believes that risk with respect to these balances is minimal, due to the high credit quality of the institutions used

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, 2010 through 2012.

The Campaign has adopted the recognition requirements for uncertain income tax positions as required by FASB ASC No. 740-10, *Income Taxes*. Under this standard, income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities.

Subsequent Events – As required by FASB ASC No. 855, *Subsequent Events*, subsequent events have been evaluated by management through June 10, 2013, which is the date the financial statements were available to be issued.

Summarized Financial Information for 2012 – The accompanying financial information as of and for the year ended March 31, 2012, 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 \$156,752 at March 31, 2013 and represented unconditional promises expected to be collected in less than one year as follows:

Contributions receivable	\$ 178,720
Less allowance for doubtful collection	(21,968)
	\$ 156,752
	\$ 156,752

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 \$458,921 at March 31, 2013; 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 \$17,963 at March 31, 2013).

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, 2013 are summarized as follows:

Balance at beginning of year	\$ 426,575
Plus additions	16,303
Plus increase in the fair market value of the funds	34,006
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Balance at end of year	\$ 476,884
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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, 2013, there were no distributions made to the Campaign.

At March 31, 2013 these assets are held for the following purposes:

Donor-restricted endowment funds	\$ 215,748
Unappropriated endowment earnings	57,097
Funds designated by the Board of Directors for endowment	204,039
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	\$ 476,884
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In addition, the Campaign held \$15,372 of endowment funds in cash and cash equivalents at March 31, 2013.

5. Grants Payable

Grants payable at March 31, 2013 represent \$734,638 in unconditional promises to give to others expected to be paid in less than one year

6. Restrictions and Limitations on Net Asset Balances

Designated by the Board of Directors for Endowment

At March 31, 2013, the Campaign’s Board of Directors had designated and set aside \$204,039 for endowment purposes.

Temporarily Restricted Net Assets

Temporarily restricted net assets at March 31, 2013 total \$103,367 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 Services in Jackson County	\$ 39,036
Unappropriated unrestricted endowment earnings	5,863
	12,198
	<hr/> 57,097
Other expendable gifts to benefit future periods	46,270
	<hr/> \$ 103,367
	<hr/>

Permanently Restricted Net Assets

At March 31, 2013, the Campaign held \$231,120 in endowment funds. The return generated by the investment of these permanently restricted net assets is restricted or unrestricted as to purpose as follows:

Herbold Fund for the representation of elderly Services in Jackson County	\$ 114,254
Unrestricted	12,100
	104,766
	<hr/>
	\$ 231,120
	<hr/>

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, 2013:

	Donor-restricted endowment			Board-	Total
	Temporarily	Permanently	Total	designated	
	restricted	restricted		endowment	endow-
				Unrestricted	ment
Endowment net assets at beginning of year	\$ 37,356	216,145	253,501	189,774	443,275
Contributions	–	14,975	14,975	–	14,975
Net increase in beneficial interest in assets held by the Oregon Community Foundation	19,741	–	19,741	14,265	34,006
Endowment net assets at end of year	\$ 57,097	231,120	288,217	204,039	492,256

7. Net Assets Released from Restrictions

During the year ended March 31, 2013, the Campaign incurred \$72,323 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 as well as certain office equipment under noncancelable lease agreements that expire on various dates through December of 2015. At March 31, 2013, the Campaign's aggregate lease commitments are as follows:

<i>Years ending March 31,</i>	
2014	\$ 29,888
2015	7,671
2016	2,421
	\$ 39,980

Payments for such leases for the year ended March 31, 2013 totaled \$27,639.

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, 2013, the Campaign's beneficial interest in assets held by the Oregon Community Foundation is reported at fair value on a recurring basis under Level 3, representing future cash inflows 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, 2013.

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 provided by operating activities (as reported on the statement of cash flows):

Increase in net assets	\$ 34,390
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<i>Adjustments to reconcile increase in net assets to net cash provided by operating activities:</i>	
Net change in beneficial interest in assets held by the Oregon Community Foundation	(34,006)
Proceeds from contributions restricted for long-term investment	(14,975)
<i>Net changes in:</i>	
Grants and contributions receivable	77,056
Prepaid expenses and other assets	(67)
Accounts payable and accrued expenses	17,703
Grants payable	14,350
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Total adjustments	60,061
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Net cash provided by operating activities	\$ 94,451
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THE LAWYERS' CAMPAIGN FOR EQUAL JUSTICE

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED MARCH 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013				
	Program services			Total	Management and general
	Grants	Education and outreach	Other funding initiatives		
Grants	\$ 734,638	-	-	734,638	-
Salaries and related expenses	-	92,756	55,734	148,490	31,842
Contract services	-	31,911	5,481	37,392	19,259
Printing	-	11,596	6,545	18,141	1,255
Postage and mailing	-	5,407	1,020	6,427	509
Office expenses	-	5,437	3,465	8,902	2,080
Occupancy	-	7,421	5,689	13,110	3,466
Telephone	-	1,952	920	2,872	560
Insurance	-	-	-	-	2,065
Travel and conferences	-	2,579	3,904	6,483	1,530
Bank fees	-	445	361	806	339
Other	-	872	449	1,321	1,152
Total expenses	\$ 734,638	160,376	83,568	978,582	64,057

Supporting services

Fund-raising	Total	Total	2012
—	—	734,638	721,507
93,124	124,966	273,456	246,985
11,136	30,395	67,787	60,764
14,553	15,808	33,949	32,763
9,936	10,445	16,872	17,851
4,899	6,979	15,881	16,303
8,162	11,628	24,738	20,080
2,043	2,603	5,475	4,847
—	2,065	2,065	2,020
1,725	3,255	9,738	8,035
5,184	5,523	6,329	5,838
6,443	7,595	8,916	7,908
157,205	221,262	1,199,844	1,144,901

THE LAWYERS' CAMPAIGN FOR EQUAL JUSTICE

SCHEDULE OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2013

	General operating fund	Unrestricted Designated by Board of Directors for endowment	Total
Operating revenues, gains, and other support:			
Grants and contributions	\$ 1,057,912	–	1,057,912
In-kind contributions	3,958	–	3,958
Ticket revenue	12,495	–	12,495
Investment income	436	–	436
Total operating revenues and gains	1,074,801	–	1,074,801
Net assets released from restrictions	72,323	–	72,323
Total operating revenues, gains, and other support	1,147,124	–	1,147,124
Expenses:			
Program services	978,582	–	978,582
Management and general	64,057	–	64,057
Fundraising	157,205	–	157,205
Total expenses	1,199,844	–	1,199,844
Increase (decrease) in net assets before non-operating activities	(52,720)	–	(52,720)
Non-operating activities:			
Endowment gifts	–	–	–
Net increase in beneficial interest in assets held by the Oregon Community Foundation	–	14,265	14,265
Increase (decrease) in net assets	(52,720)	14,265	(38,455)
Net assets at beginning of year	36,112	189,774	225,886
Net assets at end of year	\$ (16,608)	204,039	187,431

Donor restricted				
Temporarily restricted			Permanently restricted for endowment	Total
Contributions	Endowment earnings	Total		
110,452	–	110,452	–	1,168,364
–	–	–	–	3,958
–	–	–	–	12,495
–	–	–	–	436
110,452	–	110,452	–	1,185,253
(72,323)	–	(72,323)	–	–
38,129	–	38,129	–	1,185,253
–	–	–	–	978,582
–	–	–	–	64,057
–	–	–	–	157,205
–	–	–	–	1,199,844
38,129	–	38,129	–	(14,591)
–	–	–	14,975	14,975
–	19,741	19,741	–	34,006
38,129	19,741	57,870	14,975	34,390
8,141	37,356	45,497	216,145	487,528
46,270	57,097	103,367	231,120	521,918

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MARCH 31, 2013

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