

LEGAL SERVICES OF NORTHWEST JERSEY™



2011 ANNUAL REPORT



PROVIDING EQUAL JUSTICE FOR LOW-INCOME PEOPLE IN
HUNTERDON, MORRIS, SOMERSET, SUSSEX AND WARREN COUNTIES



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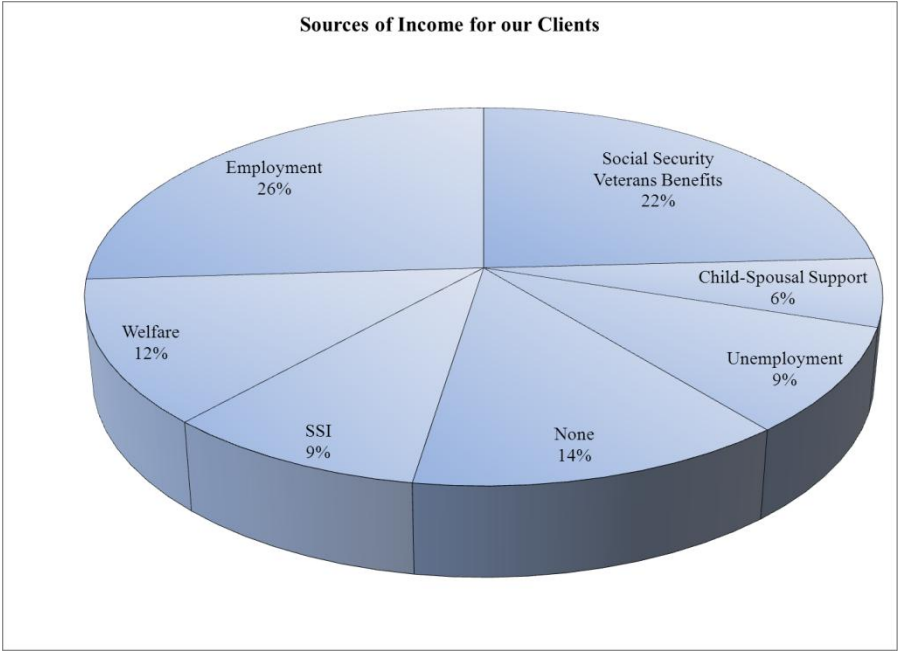
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Legal Services of Northwest Jersey, Inc. is a nonprofit law firm serving low-income people residing in Hunterdon, Morris, Somerset, Sussex and Warren Counties. Our legal assistance helps our clients resolve legal issues that affect their basic needs (shelter and housing, income and assets for self-sufficiency, family relationships, personal safety, health care access and autonomy). LSNWJ is the only provider of comprehensive free legal assistance in civil matters to low-income individuals who live in the five northwestern counties in New Jersey.

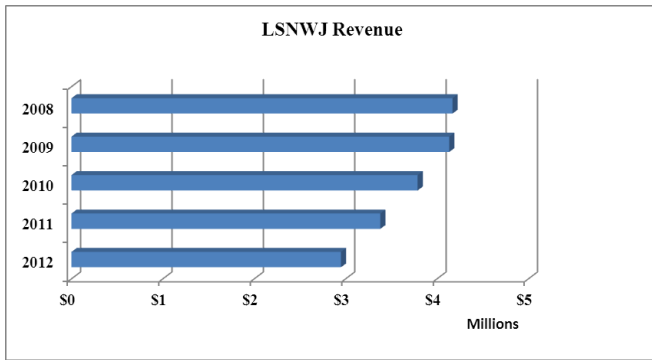
Our client community is your community. Our clients are your neighbors and the people who fill your car with gas and hand you your coffee and newspaper. More than one-quarter of our clients are employed when they come to see us. Another 31% receive benefits (Social Security, Unemployment, Veterans Benefits) based on their earning records.



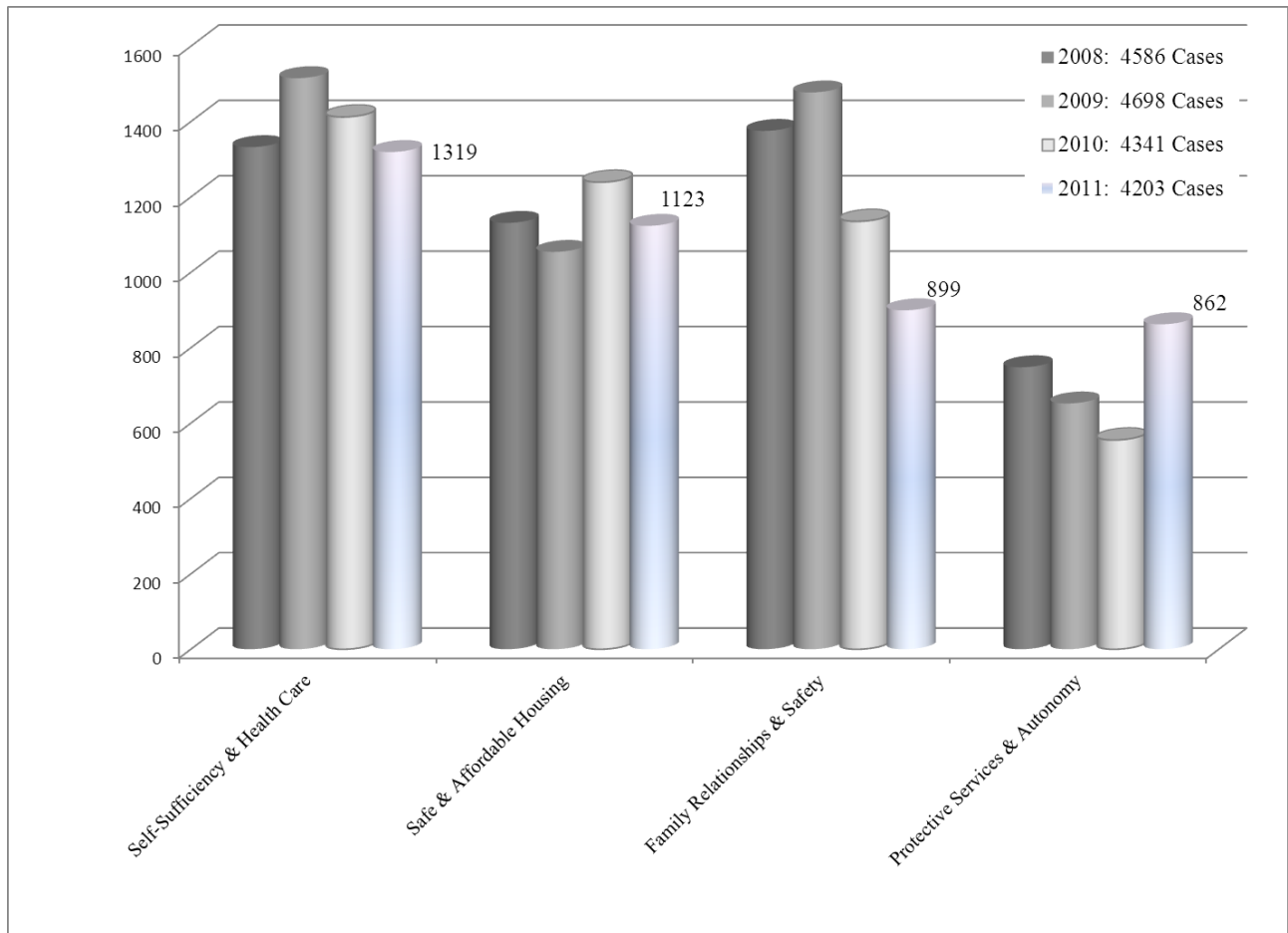
With legal representation, Sandra, a victim of severe domestic violence, was able to leave her abuser and secure permanent residency in the U.S. She is now employed, self-sufficient, and safe.

The work of LSNWJ is vital to the efforts of low-income individuals to maintain safe and affordable housing, gain sustainable income to escape the ravages of poverty and become self-sufficient, access quality health care, secure family stability and personal safety, and live with dignity in the community. People represented by lawyers are five times likelier to prevail than those who are not. **In 2011, 90% of clients represented by LSNWJ were empowered to pursue their legal remedies and 81% of those clients were successful in meeting their essential needs.**

Legal assistance is a critical tool in fighting the human consequences of poverty and in making it possible for low-income people to move to financial independence. Each individual who becomes self-sufficient strengthens the fabric of our community. There is, however, a serious unmet need for legal assistance, worsened by the economic downturn in the past few years and the significant reduction in available resources. The 2009 *Unequal Access to Justice* study published by the Poverty Research Institute of Legal Services of New Jersey found that one-third of the adult poor population will experience an average of 2.3 civil legal problems each year, up from 1.8 problems revealed in the 2002 study. Two-thirds of low-income people with a legal problem requiring a court appearance are not able to secure the assistance of a lawyer.



Since the release of that study, resources dedicated to equal justice have steadily declined. Revenue decreased by 19% between 2008 and 2011. We project another 10% decrease in 2012. As a result, more low-income people are denied justice. The number of cases LSNWJ was able to handle decreased by 11% since 2009, with family law being particularly hard hit. (Protective Services includes civil commitment work which skyrocketed in 2011.)



LSNWJ provided legal assistance to 4,203 households (5,085 adults and 3,081 children) in 2011. In addition:

- 104 people attended LSNWJ pro se clinics
- 1,450 people attended community education events provided by LSNWJ
- 20,060 visits were made to the LSNWJ website
- 800 self-help booklets were distributed
- 192 service providers were trained by LSNWJ on legal issues faced by low-income people.

LSNWJ's intervention compelled an assisted living residence to accept Mrs. Collins' Medicaid after depletion of her assets, preventing a discharge that would have been traumatic and life-threatening.

LSNWJ could not operate alone. We are deeply involved in collaborations with other service providers, the bar associations, volunteer attorneys and others. In 2011, LSNWJ launched the Veterans Justice Initiative (VJI), a joint effort of Merck & Co., Inc., Community Hope, Lowenstein Sandler and LSNWJ to provide legal assistance to homeless veterans in transitional housing that enables them to sustain themselves in the community. LSNWJ continues its collaborations with domestic abuse service providers, the Hurricane Irene long-term recovery groups and NORWESCAP to provide legal assistance to particularly vulnerable populations.

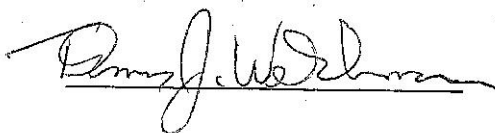
With the help of VJI, Don, a Gulf War veteran, was able to vacate child support arrears (with the consent of his former wife), freeing Don from barriers to self-sufficiency, which include possible suspension of his driver's license and income garnishments on wages and benefits.

Volunteers are critical to LSNWJ's success. In 2011, 73 volunteer attorneys handled 241 cases for low-income people. The value of volunteer services in 2011 was \$549,777. In addition to VJI, LSNWJ launched two new partnerships in 2011 – one with corporate counsel of Wyndham Worldwide and another with the Hunterdon County Bar Association - that provide legal services in autonomy matters to vulnerable seniors. Our volunteer Board of Trustees spent countless hours guiding LSNWJ through difficult times, making hard decisions about priorities and programs and thoughtfully considering future governance and strategic directions.

And of course, our staff remains the backbone of our organization. Their dedication to the needs of our clients inspires us all to remain steadfast in the pursuit of justice for low-income people. Their efforts build upon decades of advocacy by our colleagues who are no longer with us and provide a secure foundation for our successors who have not yet joined the fight. While our work is driven by the individual success of each of our clients, the effect of what we do every day is to make equal justice a reality for the community.

In 2011, William F. Matrician, Esq., celebrated his 40th anniversary and Irene L. Corcoran celebrated her 35th anniversary with legal services. Gerald R. Brennan, Esq., was the honoree of the Morris County Prosecutor's Office during Irish Heritage month. Elizabeth Szabo, Esq., was spotlighted in LSNJ Reports. Diane K. Smith, Esq., was honored as the 2011 Somerset County Professional Lawyer. Carol A. Buttke, Maggie Lattrell and Carol V. Spicer, Esq., as well as Board member Thomas E. Bracken, Esq., were recognized at the 2011 New Jersey Legal Services Awards.

Thomas J. Welchman, President



Diane K. Smith, Executive Director



LSNWJ BALANCE SHEET

For the Years Ended December 31, 2011 & 2010

Assets	2011	2010
Current assets		
Cash and cash equivalents	\$ 532,285	346,972
Cash - temporarily restricted *	41,765	254,600
Cash - escrow	3,617	6,575
Due from grants and contracts	109,922	258,335
Prepaid expenses	78,179	65,404
Misc Receivables	3,692	32,596
Total current assets	769,460	964,482
Property & equipment, net	67,759	97,749
Other assets		
Cash - permanently restricted	48,277	48,277
Security Deposit	8,233	8,233
Total other	56,510	56,510
	\$ 893,729	1,118,741
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable & Accrued expenses	\$ 57,992	57,286
Accrued Leave	156,712	153,317
Client escrow	3,617	6,575
Refundable Advances	34,360	11,531
Total current liabilities	252,681	288,709
Net Assets		
Unrestricted net assets:		
Operations, undesignated	483,247	489,406
Property & Equipment	67,759	97,749
Temporarily restricted *	41,765	254,600
Permanently restricted	48,277	48,277
Total Net assets	641,048	890,032
TOTAL LIABILITIES & ASSETS	\$ 893,749	1,118,741

In 2008-2009, LSNWJ received substantial *cy pres* awards. The LSNWJ Board of Trustees directed most of those funds to support operations in 2010 and 2011. As a result of this strategic planning, LSNWJ was able to serve more clients in 2010 and 2011 than would have been possible with only the revenue from our annual grants, contracts and other funds. LSNWJ continues to maintain an operating-reserve to assure financial stability.

LSNWJ STATEMENT OF ACTIVITIES

For the Years Ended December 31, 2011 & 2010

Support and Revenue	Year 2011	Year 2010
Grants and contracts		
Government		
Federal	1,010,800	1,117,334
State	1,448,598	1,855,977
IOLTA Fund	173,199	174,180
County	226,213	231,069
Foundations		
Merck & Co., Inc	111,524	50,000
Johnson & Johnson	13,000	12,000
Large Foundation	2,500	2,310
ExxonMobil Foundation	2,000	2,000
ERS Charitable Foundation	1,000	1,000
United Ways	140,507	156,236
Contributions		
County Bar Associations & Foundations	15,990	22,728
Morris County In-kind Space	62,536	62,536
Volunteer Services	549,777	729,805
Campaign for Justice	7,594	7,645
Cy Pres Awards	-	5,142
Memorial, Honorarium & Other Gifts	9,433	7,321
Interest & Miscellaneous	7,738	14,950
TOTAL REVENUE	\$3,782,409	\$4,452,233
Expenses	Year 2011	Year 2010
Program Services	3,562,815	4,145,716
Management and Administration	468,578	505,234
TOTAL EXPENSES	\$4,031,393	\$4,650,950
Support and revenue over expenses	(215,794)	(163,253)
Depreciation	(33,190)	(35,464)
Balance – beginning	890,032	1,088,749
Balance - ending	\$641,048	\$890,032

LSNWJ CONTACT INFORMATION

Websites: www.lsnj.org/[lsnwj](http://www.lsnwj.org)

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LSNWJ

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