

Burnham & Schumm, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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A Professional Corporation
Officers:
Lonnie K. Burnham, C.P.A.
Ted Schumm, C.P.A.

To the Board of Trustees
of Utah Legal Services, Inc.
Salt Lake City, Utah

In planning and performing our audit of the financial statements of Utah Legal Services, Inc. for the year ended June 30, 2015, we considered the Organization's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the Organization's internal control in our report dated October 20, 2015. This letter does not affect our report dated October 20, 2015, on the financial statements of Utah Legal Services, Inc.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized on the following pages.

This report is intended solely for the information and use of the Board of Trustees of Utah Legal Services, Inc., management, and Legal Services Corporation and is not intended to be and should not be used by anyone other than these specified parties.



Burnham & Schumm, P.C.
Salt Lake City, Utah
October 20, 2015

UTAH LEGAL SERVICE, INC.

MANAGEMENT COMMENTS

JUNE 30, 2015

Reportable Matters

Accrued Vacation

The accrued vacation schedule prepared by the ULS accounting department for year ending June 30, 2015 used the incorrect hourly rate for nine employees and one employee was recorded twice on the schedule. It is important that ULS use accurate accounting information to manage its organization financial resources.

We recommend that ULS review its financial schedules more carefully so accurate accounting information is recorded.

Management Response

We will review financial schedules closely and ensure accurate information is recorded in our various systems so that the correct hourly rates are reflected, and to ensure each employee is accurately counted.

Case Sample

During our audit, we reviewed 60 ULS cases for compliance with LSC rules and regulations. In two instances, cases 14E-2219244 and 14E-2218423, there was no signed citizen attestation or representation agreement in the electronic case file sub directory. In both cases enough time was recorded to warrant these signed agreements.

In another instance, case 14E-2208842, ULS failed to disclose the case to LSC in its semiannual case disclosure report in accordance with 45 CFR 1644.4(a).

It is important that ULS follow its policies and procedures so that all cases comply with LSC rules and regulations.

Management Response

We recognize that we failed to include one case in our semiannual case disclosure report to LSC. We will conduct additional training for staff to ensure this requirement is understood.

We agree that there was one extended service case in the sample without a signed citizenship attestation and representation agreement. We will conduct additional training for staff to ensure this requirement is understood. This case was handled by a contract attorney and so we will also ensure our contract attorneys are aware of these requirements.

Filing of Cash Disbursements

While performing the accounts payable audit procedures, we noted ULS is filing its July 2015 cash disbursements in both year ending June 30, 2015 and 2016 filing cabinets. The cash disbursements should be filed in the year that they are paid.

We recommend that the accounting staff be more diligent when filing ULS cash disbursements.

Management Response

We will review procedures with accounting staff to ensure documentation is appropriately filed.

PAI Attorneys

ULS must spend 12.5% of its LSC Basic Field Grant on private attorney involvement (PAI) pursuant to 45CFR1614.1. In reviewing ULS PAI expenditures, we noted that two PAI attorneys did not have all of their contract costs recorded as PAI expenses in the ULS general ledger. The PAI contract attorneys' expenses not properly recorded totaled \$5,014.

Although ULS was in compliance with the 12.5% PAI requirement, it is important to properly account for all of its PAI expenditures. We recommend that ULS be more careful when coding PAI contract attorneys' costs to the general ledger.

Management Response

We will review procedures for the accounting of PAI expenditures to ensure we are properly credited for our work in this area.

UTAH LEGAL SERVICES, INC.

(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS

WITH

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

YEARS ENDED JUNE 30, 2015 AND 2014

Burnham & Schumm, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

ACRONYMS

BJA	Bureau of Justice Assistance
CDBG	Community Development Block Grant
CFDA	Catalog of Federal Domestic Assistance
DOJ	Department of Justice
FEP	Federal Employment Program
GAD	General Assistance/Disability
HHS	United States Department of Health and Human Services
IOLTA	Interest on Lawyers Trust Accounts
LSC	Legal Services Corporation
OMB	Office of Management and Budget
PAI	Private Attorney Involvement
SSBG	Social Services Block Grant
TANF	Temporary Assistance for Needy Families
TIG	Technology Initiative Grant
ULS	Utah Legal Services
VAWA	Violence Against Women Act
VOCA	Victims of Crime Act

UTAH LEGAL SERVICES, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Utah Legal Services, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Utah Legal Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years 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 of America; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of 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 entity'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 entity'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 Utah Legal Services, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

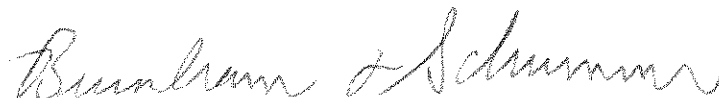
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of functional expenses and schedules of support and expenses are presented for additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes 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 statements 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 20, 2015, on our consideration of Utah Legal Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Utah Legal Services, Inc.'s internal control over financial reporting and compliance.



Burnham & Schumm, P.C.
Salt Lake City, Utah
October 20, 2015

UTAH LEGAL SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Current Assets:		
Cash and cash equivalents	\$ 985,085	\$ 769,849
Certificates of deposit	--	200,000
Client escrow funds	1,154	1,134
Grants receivable, net of allowance of \$-0-	130,333	122,748
Other receivables	832	8,477
Unconditional promises to give	50,000	52,977
Prepaid expenses	<u>33,925</u>	<u>27,727</u>
Total current assets	1,201,329	1,182,912
Property and equipment, at cost, net	160,161	181,876
Other assets, deposits	<u>13,262</u>	<u>13,262</u>
Total Assets	<u>\$1,374,752</u>	<u>\$1,378,050</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 50,678	\$ 39,365
Accrued payroll and related liabilities	146,812	128,261
Accrued vacation	128,477	108,656
Client trust deposits	<u>1,154</u>	<u>1,134</u>
Total current liabilities	<u>327,121</u>	<u>277,416</u>
Net assets:		
Unrestricted:		
Operations	790,166	731,119
Fixed assets	<u>160,161</u>	<u>181,876</u>
	<u>950,327</u>	<u>912,995</u>
Temporarily Restricted:		
Legal Services Corporation	27,304	114,662
Non - LSC	<u>70,000</u>	<u>72,977</u>
	<u>97,304</u>	<u>187,639</u>
Permanently Restricted	<u>--</u>	<u>--</u>
Total net assets	<u>1,047,631</u>	<u>1,100,634</u>
Total Liabilities and Net Assets	<u>\$1,374,752</u>	<u>\$1,378,050</u>

The accompanying notes are an integral part of
these financial statements.

UTAH LEGAL SERVICES

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Unrestricted Net Assets:		
Support:		
Federal and state financial assistance	\$3,494,189	\$3,101,929
Other grants and contract revenue	431,192	406,006
In-kind contributions	2,670	--
Interest income	1,928	703
Other	<u>12,695</u>	<u>23,915</u>
	3,942,674	3,532,553
Net assets released from restrictions:		
Restrictions satisfied by payments	92,724	28,935
United Way, Foundations and other funding for the year	<u>72,977</u>	<u>75,023</u>
	<u>4,108,375</u>	<u>3,636,511</u>
Expenses:		
Program services	3,733,845	3,168,952
Support services:		
Administrative, management and general	225,858	206,064
Fund raising	<u>111,340</u>	<u>110,607</u>
	<u>4,071,043</u>	<u>3,485,623</u>
Increase in unrestricted net assets	<u>37,332</u>	<u>150,888</u>
Temporarily Restricted Net Assets:		
United Way, Foundations and other funding for next year	70,000	70,000
Federal Support:		
Legal Services Corporation	5,366	15,287
Net assets released from restrictions:		
Restrictions satisfied by payments and expiration of time	<u>(165,701)</u>	<u>(103,958)</u>
(Decrease) in temporarily restricted net assets	<u>(90,335)</u>	<u>(18,671)</u>
Permanently restricted net assets	<u>--</u>	<u>--</u>
Increase (decrease) in net assets	(53,003)	132,217
Net Assets at beginning of year	<u>1,100,634</u>	<u>968,417</u>
Net Assets at end of year	<u>\$1,047,631</u>	<u>\$1,100,634</u>

The accompanying notes are an integral part of these financial statements.

UTAH LEGAL SERVICES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (53,003)	\$ 132,217
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	57,976	20,557
(Increase) in grants receivable	(7,585)	(34,129)
Decrease in unconditional promises to give	2,977	5,023
(Increase)decrease in other receivables and deposits	7,645	(7,048)
(Increase) in prepaid expenses	(6,198)	(779)
Increase in accounts payable	11,313	8,264
Increase in accrued payroll	18,551	24,259
Increase in accrued vacation	<u>19,821</u>	<u>9,706</u>
Net cash provided by operating activities	<u>51,497</u>	<u>158,070</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(36,261)	(164,516)
(Purchase) maturity of certificates of deposit, net	<u>200,000</u>	<u>(109,189)</u>
Net cash provided (used) by investing activities	<u>163,739</u>	<u>(273,705)</u>
Cash flows from financing activities:	<u>---</u>	<u>---</u>
Net increase (decrease) in cash	215,236	(115,635)
Cash balance at beginning of year	<u>769,849</u>	<u>885,484</u>
Cash balance at end of year	<u>\$ 985,085</u>	<u>\$ 769,849</u>
Supplemental disclosure of cash flow information:		
Interest paid during the year	<u>\$ ---</u>	<u>\$ ---</u>
Income taxes paid during the year	<u>\$ ---</u>	<u>\$ ---</u>

The accompanying notes are an integral part of
these financial statements.

UTAH LEGAL SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

1. Nature of Organization and Significant Accounting Policies

Organization

Utah Legal Services, Inc., a nonprofit corporation, was established under the laws of the State of Utah on June 7, 1976. The Organization is dedicated to providing legal services of a civil nature to persons unable to pay for such services in all counties within the State of Utah.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Notes to Financial Statements - Continued

Grants Receivable

Grants and contracts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants and contracts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable receivable. Changes in the valuation allowance have not been material to the financial statements.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Property and equipment are being depreciated over estimated useful lives of three to ten years using a straight-line method. The Organization capitalizes expenditures for property and equipment in excess of \$5,000.

Property and equipment acquired with funds from the various sources is considered to be owned by ULS while used in the program or in future authorized programs. However, the funding sources have a reversionary interest in the assets purchased with their respective funds.

Revenue Recognition

The Organization recognizes grant funds from LSC as support on a straight-line basis over the grant period. Funds remaining unused at the end of an accounting period are carried forward in the applicable net assets. The LSC net assets are subject to the provisions of LSC's Fund Balance Regulation. LSC may, at its discretion, request reimbursement for expenses, the return of funds or both as a result of noncompliance by the Organization with the terms of the grant. In addition, if the Organization terminates its legal assistance activities, all unused funds are to be returned to LSC.

Revenues are recognized as funds are received on the LSC and other non cost reimbursement contracts and as costs are incurred, or units of service are provided on the cost reimbursement contracts.

Notes to Financial Statements - Continued

The methods used to recognize revenues do not necessarily coincide with the flow of cash. Consequently, receivables have been recorded for amounts earned on the contracts for which cash has not been received. Conversely, temporarily restricted net assets have been recorded where grant/contract funds received in cash exceed the earned amounts.

Contributions and support, including unconditional promises to give, are recorded as made. All contributions and support are available for unrestricted use unless specifically restricted by the grantor/donor. Contributions that are restricted by the grantor/donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which contributions are recognized. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years, if any, are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Noncash Contributions

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, the Organization has made no provision for federal or state income taxes in the accompanying financial statements.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending June 30, 2014, 2013 and 2012 are subject to examination by the IRS, generally for three years after they were filed.

Notes to Financial Statements - Continued

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Allocation of Expenses

In some cases, common expenses are incurred which support the work performed under more than one grant or contract. Such expenses are allocated between the grants and contracts based on the percentage of time spent by ULS staff on the grant or contract. All grants and contracts, including the components of LSC funding (except PAI) are charged to the extent of the grant or contract budget. Excess expenses over revenue on programs with LSC eligibility screening are charged to LSC Basic, those with differing eligibility guidelines are charged to other unrestricted sources.

2. Cash - Credit Risk

The Organization has cash deposits totaling \$992,366 and \$788,752 at various banks at June 30, 2015 and 2014, respectively. This exceeds the \$250,000 covered by federal depository insurance by \$-0- and \$-0- respectively.

3. Certificates of Deposit

At June 30, 2015 and 2014, the Organization has certificates of deposit at one bank totaling \$-0- and \$200,000, respectively. The certificate of deposit has a balance of \$200,000 at June 30 2014. The twelve month certificate earns interest at 0.40% and matures on July 11, 2014.

4. Client Trust Accounts

The Organization holds funds in trust for its clients relating to settlements awarded by the courts and deposits held for filing and other fees. The balance of such accounts is included as both an asset and liability of the Organization.

Notes to Financial Statements - Continued

5. Grants Receivable

Grants and contracts receivable at June 30, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Department of Justice - LAVA	\$ 19,176	\$ --
Title XX	1,000	1,250
Title III	15,213	27,749
Department of Justice - BJA	20,673	10,381
State of Utah - VOCA/VAWA	37,543	27,591
State of Utah - GAD, FEP	20,206	37,712
State of Utah - Special Projects	1,071	14,000
State of Utah - TANF	12,279	--
Others	<u>3,172</u>	<u>4,065</u>
Total Grants Receivable	<u>\$130,333</u>	<u>\$122,748</u>

6. Unconditional Promises to Give

The amount due for unconditional promises to give consists of the following at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Allocation for the next year:		
United Way	\$ 50,000	\$ 50,000
Allocation from prior year		
United Way	<u>--</u>	<u>2,977</u>
	<u>\$ 50,000</u>	<u>\$ 52,977</u>

The amounts from unconditional promises to give at June 30, 2015 and 2014, are due within one year. Although actual grant payments may vary, differences between the amount recorded and collected have historically been insignificant. Accordingly, no provision is made for uncollectible amounts.

7. Restrictions on Assets

Temporarily restricted net assets are available for the following purposes or periods at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
For subsequent periods:		
United Way	\$ 50,000	\$ 52,977
Foundations	20,000	20,000
Federal support not expended:		
LSC-Pro Bono	5,366	--
LSC-Basic	--	15,287
LSC-Native American Program	<u>21,938</u>	<u>99,375</u>
	<u>\$ 97,304</u>	<u>\$187,639</u>

Notes to Financial Statements - Continued

There are no permanently restricted net assets at June 30, 2015 and 2014.

8. Property and Equipment

The following is a summary of property and equipment as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Property and equipment	\$353,864	\$306,174
Less accumulated depreciation	<u>193,703</u>	<u>204,298</u>
Property and equipment, net	<u>\$160,161</u>	<u>\$181,876</u>

Property and equipment acquired with grant funds are subject to certain restrictions on the sale or other disposition of the property as specified by the grantor agency. Also, if the grantor discontinues funding, all property and equipment acquired with grant funds may be recovered by the grantor.

Depreciation expense for the years ended June 30, 2015 and 2014 was \$57,976 and \$20,557, respectively.

9. Lease Commitments

Utah Legal Services, Inc. leases office space for their Salt Lake, Ogden and Provo offices. Each Office is leased under a separate lease agreement. Each lease contains a defunding clause making the lease generally cancelable upon 60-90 days notice if ULS loses its funding from Legal Services Corporation. Lease payments for the years ended June 30, 2015 and 2014 amounted to \$177,676 and \$175,908, respectively. The lease payments are classified as space costs in the accompanying financial statements.

For all offices maintained by ULS, the related future minimum lease payments (based on leases with terms of one year or more) are as follows:

<u>June 30,</u>	<u>Amount</u>
2016	\$177,555
2017	179,575
2018	136,336
2019	45,612
2020	<u>30,780</u>
	<u>\$569,858</u>

Notes to Financial Statements - Continued

10. Private Attorney Involvement (PAI) Expenditures

The assurances given by ULS as a condition for approval of the LSC Basic Field grant include an assurance and certification that at least the minimum amount of LSC funds prescribed by LSC rules, regulations, guidelines, and instructions will be provided for the involvement of private attorneys in the delivery of legal assistance to the eligible clients.

45 CFR 1614.1 defines the minimum amount of "funds to be devoted to involvement of private attorneys as an amount equal to at least twelve and one-half percent (12.5%) of the recipient's LSC annualized basic field award."

Based on these assurances, ULS is required to expend \$292,183 on PAI during the year ended June 30, 2015. As noted in the following summary, ULS exceeded the requirement by \$48,437.

	<u>PAI</u>
LSC annualized basic field award at 12.5%	<u>\$292,183</u>
Expenses:	
Salaries	\$223,900
Employee benefits	45,266
Contract services	18,496
Space costs	11,706
Travel	10,807
Consumable supplies	3,049
Telephone	3,146
Equipment expense	2,199
Litigation	5,415
Library expense	1,601
Licenses and fees	1,688
Insurance	1,277
Miscellaneous	849
Training	<u>11,221</u>
	<u>340,620</u>
Expenses in excess of requirement	<u>\$ 48,437</u>

Notes to Financial Statements - Continued

11. Tax Sheltered Annuity Plan

Utah Legal Services sponsors a 403 (b) salary reduction plan that covers employees. Employees are eligible to participate in salary reduction contributions on their hire date. With respect to non-salary reduction contributions, employees are eligible to participate if they have completed six months of service and have attained age 21. Salary reduction contributions are limited in any year to a certain dollar amount set by law. For the years ended June 30, 2015 and 2014, Utah Legal Services matching contributions amounted to \$54,124 and \$46,035, respectively.

12. Major Grantor

During the year ended June 30, 2015 and 2014, Utah Legal Services received \$2,550,190 and \$2,330,270, respectively, from Legal Services Corporation. This represents 63.59% and 64.4% of total revenues for the years ended June 30, 2015 and 2014, respectively. A loss of funding from this grantor would have a materially adverse effect on the financial condition of ULS.

13. In-kind Contributions

During the years ended June 30, 2015 and 2014, the Organization recorded in-kind contributions of \$2,670 and \$-0- respectively. During the year ended June 30, 2015, the Organization received approximately 200 hours of service from volunteers valued at an average of \$13.35 per hour.

14. Evaluation of Subsequent Events

The Organization has evaluated subsequent events through October 23, 2015, the date which the financial statements were available to be issued.

GOVERNMENTAL AUDITING STANDARDS REPORTS
AND SINGLE AUDIT INFORMATION

UTAH LEGAL SERVICES, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA <u>Number</u>	Contract <u>Number</u>	Federal <u>Expenditures</u>
<u>Legal Services Corporation</u>			
Legal Services Corporation	N/L	745000	<u>\$2,637,548</u>
<u>US Department of Health and Human Serv. (HHS)</u>			
Passed Through State of Utah:			
Department of Workforce Services - TANF	93.558	15DWS0071	18,713
Department of Workforce Services	93.558	136106	21,635
Davis County	93.044	N/A	5,099
Davis County SSBG	93.667	2014-305	4,000
Mountainlands Assoc of Govts	93.044	N/A	13,000
Southeastern UT AOG	93.044	N/A	2,150
San Juan County	93.044	N/A	2,000
Six County Aging Program	93.044	N/A	5,026
Five County Aging Program	93.044	N/A	10,000
Bear River Assoc of Govt-Title III	93.044	N/A	4,132
Uintah County Aging Program	93.044	N/A	1,444
Uintah Basin Aging Program	93.044	N/A	1,036
Weber County Title III	93.044	N/A	4,000
Tooele County Title XX	93.667	N/A	6,000
Tooele County Aging Program Title III	93.044	N/A	1,426
Passed Through State of Utah Through Salt Lake County:			
Dept of Aging Services	93.044	AE-09334-C	<u>49,951</u>
Total US Dept of HHS			<u>149,612</u>
<u>US Department of Housing and Urban Development (HUD)</u>			
Passed through State of Utah			
Utah County CDBG	14.218	B-12-UC-49-0003	<u>9,871</u>
<u>US Department of Justice</u>			
Department of Justice - Legal Assistance for Survivors of Sexual Abuse			
	16.556	2014-WL-AX-0026	57,557
Passed through Provo city:			
Department of Justice	16.590	2010-WE-AX-0029	21,808
Passed Through State of Utah:			
Commission on Criminal and Juvenile Justice	16.575	14VOCA-78	86,786

UTAH LEGAL SERVICES, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2015

Commission on Criminal and Juvenile Justice	16.588	13-VAWA-36	54,961
		14-VAWA-38	
Bureau of Justice Assistance	16.815	2012-AL-BX-K004	<u>72,730</u>
		2013-AL-BX-K002	
		2013-AL-BX-0005	
 Total US Department of Justice			 <u>293,842</u>
 Total Federal Financial Assistance			 <u>\$3,090,873</u>

N/A = No contract number provided in the agreement.

N/L = No Federal CFDA number is available.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Utah Legal Services, Inc. and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

UTAH LEGAL SERVICES, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2015

	<u>Supportive Services</u>			<u>Total</u>
	<u>Fund Raising</u>	<u>Administrative, Management & General</u>	<u>Program Services</u>	
Salary - attorney	\$ 79,118	\$ 86,007	\$ 165,125	\$1,629,998
Salary - other	7,660	60,928	68,588	1,016,740
Employee benefits	15,736	40,472	56,208	729,021
Contract services	1,463	6,140	7,603	110,601
Space costs	923	10,047	10,970	180,986
Travel	1,712	4,702	6,414	84,695
Consumable supplies	355	2,104	2,459	37,892
Telephone	321	2,767	3,088	49,837
Equipment expenses	2,540	1,966	4,506	35,418
Litigation	226	2,348	2,574	42,291
Library expenses	265	1,432	1,697	25,794
Licenses and fees	174	872	1,046	15,707
Insurance	249	1,141	1,390	20,561
Training expenses	186	1,010	1,196	18,201
In-kind expense	--	--	--	2,670
Miscellaneous	129	703	832	12,655
Depreciation	<u>283</u>	<u>3,219</u>	<u>3,502</u>	<u>57,976</u>
Total Expenses	<u>\$ 111,340</u>	<u>\$ 225,858</u>	<u>\$ 337,198</u>	<u>\$4,071,043</u>

The accompanying notes are an integral part of these financial statements.

UTAH LEGAL SERVICES, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2014

	<u>Supportive Services</u>			<u>Program Services</u>	<u>Total</u>
	<u>Fund Raising</u>	<u>Administrative, Management & General</u>	<u>Total</u>		
Salary - attorney	\$ 80,295	\$ 72,934	\$ 153,229	\$1,235,484	\$1,388,713
Salary - other	4,505	62,259	66,764	831,339	898,103
Employee benefits	16,324	37,724	54,048	584,055	638,103
Contract services	606	4,705	5,311	74,280	79,591
Space costs	2,835	10,587	13,422	165,660	179,082
Travel	2,732	4,027	6,759	61,365	68,124
Consumable supplies	489	2,007	2,496	31,460	33,956
Telephone	743	2,780	3,523	43,501	47,024
Equipment expenses	501	1,960	2,461	30,692	33,153
Litigation	148	1,467	1,615	23,195	24,810
Library expenses	343	1,398	1,741	21,905	23,646
Licenses and fees	412	706	1,118	10,826	11,944
Insurance	295	1,103	1,398	17,259	18,657
Training expenses	50	435	485	6,874	7,359
Miscellaneous	222	757	979	11,822	12,801
Depreciation	<u>107</u>	<u>1,215</u>	<u>1,322</u>	<u>19,235</u>	<u>20,557</u>
Total Expenses	<u>\$ 110,607</u>	<u>\$ 206,064</u>	<u>\$ 316,671</u>	<u>\$3,168,952</u>	<u>\$3,485,623</u>

The accompanying notes are an integral part of these financial statements.

UTAH LEGAL SERVICES, INC.
 SCHEDULE OF SUPPORT AND EXPENSES
 YEAR ENDED JUNE 30, 2015

SUMMARY

	LSC	Department of Justice	Other	Property	Total
Support					
Grants and contracts	\$2,555,190	\$ 293,842	\$ 650,523	\$ --	\$3,499,555
Other	<u>11,316</u>	<u>25,549</u>	<u>481,620</u>	--	<u>518,485</u>
	<u>2,566,506</u>	<u>319,391</u>	<u>1,132,143</u>	--	<u>4,018,040</u>
Expenses					
Salary - attorney	1,014,288	160,355	455,355	--	1,629,998
Salary - other	780,825	61,010	174,905	--	1,016,740
Employee benefits	437,195	49,003	242,823	--	729,021
Contract services	52,369	46,353	11,879	--	110,601
Space costs	121,955	--	59,031	--	180,986
Travel	70,696	--	13,999	--	84,695
Consumable supplies	25,040	--	12,852	--	37,892
Telephone	32,189	--	17,648	--	49,837
Equipment expense	26,138	--	9,280	--	35,418
Litigation	21,619	--	20,672	--	42,291
Library expense	16,751	--	9,043	--	25,794
Licenses and fees	10,998	--	4,709	--	15,707
Insurance	13,547	--	7,014	--	20,561
Training expense	17,076	--	1,125	--	18,201
In-kind expense	--	2,670	--	--	2,670
Miscellaneous	6,548	--	6,107	--	12,655
Depreciation	<u>--</u>	<u>--</u>	<u>--</u>	<u>57,976</u>	<u>57,976</u>
	<u>2,647,234</u>	<u>319,391</u>	<u>1,046,442</u>	<u>57,976</u>	<u>4,071,043</u>
Excess (deficiency) of support over expenses	(80,728)	--	85,701	(57,976)	(53,003)
Property acquisition	(6,630)	--	(29,631)	36,261	--
Property disposition	--	--	--	--	--
Fund Transfers	--	--	--	--	--
Increase (decrease) in net assets	(87,358)	--	56,070	(21,715)	(53,003)
Beginning net assets	<u>114,662</u>	<u>--</u>	<u>804,096</u>	<u>181,876</u>	<u>1,100,634</u>
Ending net assets	<u>\$ 27,304</u>	<u>\$ --</u>	<u>\$ 860,166</u>	<u>\$ 160,161</u>	<u>\$1,047,631</u>

The accompanying notes are an integral part of these financial statements.

UTAH LEGAL SERVICES, INC.
 SCHEDULE OF SUPPORT AND EXPENSES
 YEAR ENDED JUNE 30, 2014
SUMMARY

	LSC	Department of			Total
		Justice	Other	Property	
Support					
Grants and contracts	\$2,330,270	\$ 237,000	\$ 550,436	\$ --	\$3,117,706
Other	<u>17,992</u>	<u>36,889</u>	<u>445,253</u>	<u>--</u>	<u>500,134</u>
	<u>2,348,262</u>	<u>273,889</u>	<u>995,689</u>	<u>--</u>	<u>3,617,840</u>
Expenses					
Salary - attorney	875,064	92,983	420,666	--	1,388,713
Salary - other	644,255	113,435	140,413	--	898,103
Employee benefits	443,271	62,035	132,797	--	638,103
Contract services	54,873	3,484	21,234	--	79,591
Space costs	81,119	--	97,963	--	179,082
Travel	47,148	1,952	19,024	--	68,124
Consumable supplies	13,770	--	20,186	--	33,956
Telephone	34,149	--	12,875	--	47,024
Equipment expense	21,711	--	11,442	--	33,153
Litigation	20,810	--	4,000	--	24,810
Library expense	13,438	--	10,208	--	23,646
Licenses and fees	5,297	--	6,647	--	11,944
Insurance	8,213	--	10,444	--	18,657
Training expense	5,537	--	1,822	--	7,359
Miscellaneous	5,834	--	6,967	--	12,801
Depreciation	<u>--</u>	<u>--</u>	<u>--</u>	<u>20,557</u>	<u>20,557</u>
	<u>2,274,489</u>	<u>273,889</u>	<u>916,688</u>	<u>20,557</u>	<u>3,485,623</u>
Excess (deficiency) of support over expenses	73,773	--	79,001	(20,557)	132,217
Property acquisition	(87,421)	--	(77,095)	164,516	--
Property disposition	--	--	--	--	--
Fund Transfers	--	--	--	--	--
Increase (decrease) in net assets	(13,648)	--	1,906	143,959	132,217
Beginning net assets	<u>128,310</u>	<u>--</u>	<u>802,190</u>	<u>37,917</u>	<u>968,417</u>
Ending net assets	<u>\$ 114,662</u>	<u>\$ --</u>	<u>\$ 804,096</u>	<u>\$ 181,876</u>	<u>\$1,100,634</u>

The accompanying notes are an integral part of these financial statements.

UTAH LEGAL SERVICES, INC.
 SCHEDULE OF SUPPORT AND EXPENSES
 JUNE 30, 2015
LSC FUNDS

	<u>Basic Field</u>	<u>Migrant</u>	<u>Native American</u>	<u>TIG</u>	<u>Pro Bono Innovation</u>	<u>Total</u>
Support						
Grants and contracts	\$ 2,337,464	\$ 67,578	\$ 82,118	\$ 18,030	\$ 50,000	\$ 2,555,190
Other	<u>8,916</u>	<u>2,400</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>11,316</u>
	<u>2,346,380</u>	<u>69,978</u>	<u>82,118</u>	<u>18,030</u>	<u>50,000</u>	<u>2,566,506</u>
Expenses						
Salary - attorney	920,892	20,746	46,899	11,400	14,351	1,014,288
Salary - other	711,967	12,906	43,388	--	12,564	780,825
Employee benefits	397,075	8,151	24,725	--	7,244	437,195
Contract services	42,344	916	5,044	--	4,065	52,369
Space costs	99,627	7,604	13,528	--	1,196	121,955
Travel	43,914	11,057	12,395	--	3,330	70,696
Consumable supplies	20,787	1,444	2,552	--	257	25,040
Telephone	27,681	1,557	2,505	--	446	32,189
Equipment expense	22,136	1,368	2,406	--	228	26,138
Litigation	20,896	127	558	--	38	21,619
Library expense	13,967	940	1,651	--	193	16,751
Dues and fees	8,804	680	1,410	--	104	10,998
Insurance	11,009	851	1,533	--	154	13,547
Training expense	15,144	1,227	300	--	405	17,076
In-kind expense	--	--	--	--	--	--
Miscellaneous	5,424	404	661	--	59	6,548
Depreciation	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	<u>2,361,667</u>	<u>69,978</u>	<u>159,555</u>	<u>11,400</u>	<u>44,534</u>	<u>2,647,234</u>
Excess (deficiency) of support over expenses	(15,287)	--	(77,437)	6,630	5,366	(80,728)
Property acquisition	--	--	--	(6,630)	--	(6,630)
Property disposition	--	--	--	--	--	--
Fund transfers	--	--	--	--	--	--
Increase (decrease) in net assets	(15,287)	--	(77,437)	--	5,366	(87,358)
Beginning net assets	15,287	--	99,375	--	--	114,662
Ending net assets	<u>\$ 15,287</u>	<u>\$ --</u>	<u>\$ 21,938</u>	<u>\$ --</u>	<u>\$ 5,366</u>	<u>\$ 27,304</u>

The accompanying notes are an integral part of these financial statements.

UTAH LEGAL SERVICES, INC.
 SCHEDULE OF SUPPORT AND EXPENSES
 JUNE 30, 2015

	LSC FUNDS - Technology Initiative Grants				Total
	TIG Grant 11039	TIG Grant 12005	TIG Grant 12083	TIG Grant 13036	
Support					
Grants and contracts	\$ 3,000	\$ 5,300	\$ 3,100	\$ 6,630	\$ 18,030
Other	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
	<u>3,000</u>	<u>5,300</u>	<u>3,100</u>	<u>6,630</u>	<u>18,030</u>
Expenses					
Salary - attorney	3,000	5,300	3,100	---	11,400
Salary - other	---	---	---	---	---
Employee benefits	---	---	---	---	---
Contract services	---	---	---	---	---
Space costs	---	---	---	---	---
Travel	---	---	---	---	---
Consumable supplies	---	---	---	---	---
Telephone	---	---	---	---	---
Equipment expense	---	---	---	---	---
Litigation	---	---	---	---	---
Library expense	---	---	---	---	---
Dues and fees	---	---	---	---	---
Insurance	---	---	---	---	---
Training expense	---	---	---	---	---
Miscellaneous	---	---	---	---	---
Depreciation	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
	<u>3,000</u>	<u>5,300</u>	<u>3,100</u>	<u>---</u>	<u>11,400</u>
Excess (deficiency) of support over expenses	---	---	---	6,630	6,630
Property acquisition	---	---	---	(6,630)	(6,630)
Property disposition	---	---	---	---	---
Fund transfers	---	---	---	---	---
Increase (decrease) in net assets	---	---	---	---	---
Beginning net assets	---	---	---	---	---
Ending net assets	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

The accompanying notes are an integral part of these financial statements.

UTAH LEGAL SERVICES, INC.
SCHEDULE OF SUPPORT AND EXPENSES
JUNE 30, 2014

LSC FUNDS

	Basic Field	Migrant	Native American	TIG	Total
Support					
Grants and contracts	\$ 2,150,507	\$ 64,311	\$ 78,092	\$ 37,360	\$ 2,330,270
Other	<u>17,742</u>	<u>250</u>	--	--	<u>17,992</u>
	<u>2,168,249</u>	<u>64,561</u>	<u>78,092</u>	<u>37,360</u>	<u>2,348,262</u>
Expenses					
Salary - attorney	807,502	--	45,227	22,335	875,064
Salary - other	581,199	51,390	11,666	--	644,255
Employee benefits	417,082	13,171	13,018	--	443,271
Contract services	43,416	--	6,757	4,700	54,873
Space costs	69,487	--	11,632	--	81,119
Travel	40,040	--	7,108	--	47,148
Consumable supplies	11,863	--	1,907	--	13,770
Telephone	31,099	--	3,050	--	34,149
Equipment expense	19,708	--	2,003	--	21,711
Litigation	20,409	--	401	--	20,810
Library expense	12,094	--	1,344	--	13,438
Dues and fees	4,686	--	611	--	5,297
Insurance	7,002	--	1,211	--	8,213
Training expense	4,921	--	616	--	5,537
Miscellaneous	5,358	--	476	--	5,834
Depreciation	--	--	--	--	--
	<u>2,075,866</u>	<u>64,561</u>	<u>107,027</u>	<u>27,035</u>	<u>2,274,489</u>
Excess (deficiency) of support over expenses	92,383	--	(28,935)	10,325	73,773
Property acquisition	(77,096)	--	--	(10,325)	(87,421)
Property disposition	--	--	--	--	--
Fund transfers	--	--	--	--	--
Increase (decrease) in net assets	15,287	--	(28,935)	--	(13,648)
Beginning net assets	--	--	128,310	--	128,310
Ending net assets	<u>\$ 15,287</u>	<u>\$ --</u>	<u>\$ 99,375</u>	<u>\$ --</u>	<u>\$ 114,662</u>

The accompanying notes are an integral part of these financial statements.

UTAH LEGAL SERVICES, INC.
 SCHEDULE OF SUPPORT AND EXPENSES
 JUNE 30, 2014

	LSC FUNDS - Technology Initiative Grants				Total
	TIG Grant 09479	TIG Grant 11039	TIG Grant 11040	TIG Grant 12005	
Support					
Grants and contracts	\$ 4,000	\$ 4,400	\$ 5,100	\$ 10,600	\$ 37,360
Other	<u>4,000</u>	<u>4,400</u>	<u>5,100</u>	<u>10,600</u>	<u>37,360</u>
Expenses					
Salary - attorney	4,000	4,400	5,100	5,900	22,335
Salary - other	--	--	--	--	--
Employee benefits	--	--	--	4,700	4,700
Contract services	--	--	--	--	--
Space costs	--	--	--	--	--
Travel	--	--	--	--	--
Consumable supplies	--	--	--	--	--
Telephone	--	--	--	--	--
Equipment expense	--	--	--	--	--
Litigation	--	--	--	--	--
Library expense	--	--	--	--	--
Dues and fees	--	--	--	--	--
Insurance	--	--	--	--	--
Training expense	--	--	--	--	--
Miscellaneous	--	--	--	--	--
Depreciation	<u>4,000</u>	<u>4,400</u>	<u>5,100</u>	<u>10,600</u>	<u>27,035</u>
Excess (deficiency) of support over expenses	--	--	--	--	10,325
Property acquisition	--	--	--	--	(10,325)
Property disposition	--	--	--	--	--
Fund transfers	--	--	--	--	--
Increase (decrease) in net assets	--	--	--	--	--
Beginning net assets	--	--	--	--	--
Ending net assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

The accompanying notes are an integral part of these financial statements.

UTAH LEGAL SERVICES, INC.
 SCHEDULE OF SUPPORT AND EXPENSES
 JUNE 30, 2015
 DOJ FUNDS

	Bureau of					Total
	Provo City P.O.	Justice Assistance	Sexual Assault	Thru State of Utah VAWA	Utah VOCA	
Support						
Grants and contracts	\$ 21,808	\$ 72,730	\$ 57,557	\$ 54,961	\$ 86,786	\$ 293,842
Other	--	--	--	3,796	21,753	25,549
	<u>21,808</u>	<u>72,730</u>	<u>57,557</u>	<u>58,757</u>	<u>108,539</u>	<u>319,391</u>
Expenses						
Salary - attorney	21,808	42,455	21,260	11,867	62,965	160,355
Salary - other	--	14,424	1,870	28,470	16,246	61,010
Employee benefits	--	10,737	3,186	13,339	21,741	49,003
Contract services	--	5,114	31,241	5,081	4,917	46,353
Space costs	--	--	--	--	--	--
Travel	--	--	--	--	--	--
Consumable supplies	--	--	--	--	--	--
Telephone	--	--	--	--	--	--
Equipment expense	--	--	--	--	--	--
Litigation	--	--	--	--	--	--
Library expense	--	--	--	--	--	--
Licenses and fees	--	--	--	--	--	--
Insurance	--	--	--	--	--	--
Training expense	--	--	--	--	--	--
In-kind expense	--	--	--	--	2,670	2,670
Miscellaneous	--	--	--	--	--	--
Depreciation	--	--	--	--	--	--
	<u>21,808</u>	<u>72,730</u>	<u>57,557</u>	<u>58,757</u>	<u>108,539</u>	<u>319,391</u>
Excess (deficiency) of support over expenses	--	--	--	--	--	--
Property acquisition	--	--	--	--	--	--
Property disposition	--	--	--	--	--	--
Increase (decrease) in net assets	--	--	--	--	--	--
Net assets beginning of year	--	--	--	--	--	--
Net assets end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

UTAH LEGAL SERVICES, INC.
 SCHEDULE OF SUPPORT AND EXPENSES
 JUNE 30, 2014

	DOJ FUNDS				Total
	Provo City P.O.	Bureau of Justice Assistance	Thru State of Utah VAWA	VOCA	
Support					
Grants and contracts	\$ 11,755	\$ 64,423	\$ 81,388	\$ 79,434	\$ 237,000
Other	<u>11,755</u>	<u>64,423</u>	<u>16,528</u>	<u>20,361</u>	<u>36,889</u>
			<u>97,916</u>	<u>99,795</u>	<u>273,889</u>
Expenses					
Salary - attorney	9,916	12,172	36,096	34,799	92,983
Salary - other	--	34,378	36,484	42,573	113,435
Employee benefits	1,839	12,437	25,336	22,423	62,035
Contract services	--	3,484	--	--	3,484
Space costs	--	--	--	--	--
Travel	--	1,952	--	--	1,952
Consumable supplies	--	--	--	--	--
Telephone	--	--	--	--	--
Equipment expense	--	--	--	--	--
Litigation	--	--	--	--	--
Library expense	--	--	--	--	--
Dues and fees	--	--	--	--	--
Insurance	--	--	--	--	--
Training expense	--	--	--	--	--
Miscellaneous	--	--	--	--	--
Depreciation	<u>11,755</u>	<u>64,423</u>	<u>97,916</u>	<u>99,795</u>	<u>273,889</u>
Excess (deficiency) of support over expenses	--	--	--	--	--
Property acquisition	--	--	--	--	--
Property disposition	--	--	--	--	--
Increase (decrease) in net assets	--	--	--	--	--
Net assets beginning of year	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Net assets end of year	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

The accompanying notes are an integral part of these financial statements.

Burnham & Schumm, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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A Professional Corporation
Officers:
Lonnie K. Burnham, C.P.A.
Ted Schumm, C.P.A.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

To the Board of Trustees of
Utah Legal Services, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Utah Legal Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 20, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Utah Legal Services, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Utah Legal Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of

deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Utah Legal Services, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Burnham & Schumm, P.C.
Salt Lake City, Utah
October 20, 2015

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR
A-133

To the Board of Trustees of
Utah Legal Services, Inc.

Report on Compliance for Each Major Federal Program

We have audited Utah Legal Services, Inc.'s compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Utah Legal Services, Inc.'s major federal programs for the year ended June 30, 2015. Utah Legal Services, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of finding and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Utah Legal Services, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could

have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Utah Legal Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Utah Legal Services, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Utah Legal Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Utah Legal Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Utah Legal Services, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Utah Legal Services, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Burnham & Schumm, P.C.
Salt Lake City, Utah
October 20, 2015

UTAH LEGAL SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2015

Summary of Auditor's Results

1. The Auditor's report expresses an unmodified opinion on the financial statements of Utah Legal Services, Inc.
2. No significant deficiencies were disclosed during the audit of the financial statements which are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Utah Legal Services, Inc. were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed in the audit report of Utah Legal Services, Inc. for the year ended June 30, 2015. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal awards program for Utah Legal Services, Inc. expresses an unmodified opinion on the major federal program.
6. There were no audit findings to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The program tested as a major program was: Legal Services Corporation, CFDA#09.745000.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Utah Legal Services, Inc. does not qualify as a low risk auditee.