

Burnham & Schumm, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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A Professional Corporation
Officers:
Lonnie K. Burnham, C.P.A.
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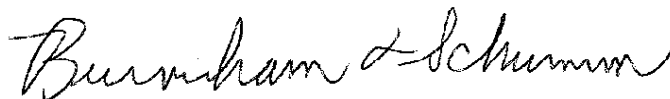
To the Board of Trustees
of Utah Legal Services, Inc.
Salt Lake City, Utah

In planning and performing our audit of the financial statements of Utah Legal Services, Inc. for the year ended June 30, 2009, 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 9, 2009. This letter does not affect our report dated October 9, 2009, 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.



Salt Lake City, Utah
October 9, 2009

UTAH LEGAL SERVICES, INC.

MANAGEMENT COMMENTS

JUNE 30, 2009

Reportable Matters

Cash Disbursements Test

During our testing of cash disbursements, we noted one disbursement that was not properly classified by funding source in the general ledger. A \$120.64 employee mileage reimbursement should have been charged directly to two funding sources. ULS inadvertently allocated the disbursement to funding sources as an indirect expense. It is important to charge costs directly to the specified funding source if possible.

We recommend ULS thoroughly review all cash disbursements for funding source documentation so only true indirect costs are allocated to funding sources each month.

Management's Response

We recognize the error and will follow the recommendation to prevent its recurrence.

Time Sheets

During our testing of payroll, we noted that one time sheet was not signed by the supervisor. ULS payroll policies and procedures require time sheets to be submitted to supervisors who sign them to signify approval and accuracy of hours.

We recommend that ULS is careful to ensure that all time sheets are properly approved by obtaining the supervisor's signature.

Management's Response

We recognize the error and have instituted an additional check before filing to prevent its recurrence.

PAI Expenses

While testing PAI Compliance, we noted that a \$1,136 disbursement paid to a PAI attorney was incorrectly classified to ULS attorney salaries in the general ledger. Therefore, PAI costs were understated by the \$1,136. For accurate PAI compliance testing it is important to properly account for all PAI costs.

We recommend proper classification of all PAI costs to ensure accurate PAI compliance.

Reportable Matters - Continued

Management's Response

We recognize the error and will follow the recommendation to prevent its recurrence.

Semi-Annual Case Disclosure Summary Report

CFR 1644 requires semi-annual disclosure of case information. The reports are due August 1 and February 1 each year. The semi-annual report that was due February 1, 2009 was submitted February 3, 2009.

We recommend that ULS comply with CFR 1644 by submitting its semi-annual case disclosure summary report by its due date.

Management's Response

We recognize the error and will submit the report by its due date.

UTAH LEGAL SERVICES, INC.

(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS

WITH

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

YEARS ENDED JUNE 30, 2009 AND 2008

Burnham & Schumm, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

UTAH LEGAL SERVICES, INC.

(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS

WITH

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

YEARS ENDED JUNE 30, 2009 AND 2008

ACRONYMS

ABA	American Bar Association
AG	Attorney General
ALG	Association of Local Governments
AOG	Association of Governments
BJA	Bureau of Justice Affairs
CFDA	Catalog of Federal Domestic Assistance
DOA	Utah Division on Aging
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
SLVP	Senior Lawyer Volunteer Project
TCAP	Tribal Court Assistance Program
ULS	Utah Legal Services
VAWA	Violence Against Women Act
VOCA	Victims of Crime Act

UTAH LEGAL SERVICES, INC.

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REPORT OF INDEPENDENT AUDITORS'

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

We have audited the accompanying statements of financial position of Utah Legal Services, Inc. (a nonprofit organization) as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.


In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Utah Legal Services, Inc. as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 9, 2009, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Utah Legal Services, Inc. taken as a whole. The schedule of functional expenses and schedules of support and expenses are presented for the purposes of additional analysis and is not a required part of the financial statements of the Organization. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Burnham & Schumm, P.C.
Salt Lake City, Utah
October 9, 2009

A handwritten signature in cursive script, appearing to read "Burnham & Schumm", written in black ink.

UTAH LEGAL SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
Current Assets:		
Cash	\$ 322,378	\$ 207,470
Certificates of deposit	290,278	381,905
Client escrow funds	1,772	3,460
Grants receivable, net of allowance of \$-0-	93,426	154,603
Other receivables	3,675	4,851
Unconditional promises to give	129,750	127,750
Prepaid expenses	<u>15,381</u>	<u>66,841</u>
Total current assets	856,660	946,880
Property and equipment, at cost, net	86,975	51,675
Other assets, deposits	<u>12,055</u>	<u>12,055</u>
Total Assets	<u>\$ 955,690</u>	<u>\$1,010,610</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 37,114	\$ 28,310
Accrued payroll and related liabilities	114,053	115,710
Accrued vacation	103,470	96,943
Client trust deposits	<u>1,772</u>	<u>3,460</u>
Total current liabilities	<u>256,409</u>	<u>244,423</u>
Net assets:		
Unrestricted:		
Operations	425,573	550,963
Fixed assets	<u>86,975</u>	<u>51,675</u>
	<u>512,548</u>	<u>602,638</u>
Temporarily Restricted:		
Legal Services Corporation	12,815	27,799
Non - LSC	<u>173,918</u>	<u>135,750</u>
	<u>186,733</u>	<u>163,549</u>
Permanently Restricted	<u>--</u>	<u>--</u>
Total net assets	<u>699,281</u>	<u>766,187</u>
Total Liabilities and Net Assets	<u>\$ 955,690</u>	<u>\$1,010,610</u>

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

UTAH LEGAL SERVICES

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Unrestricted Net Assets:		
Support:		
Federal and state financial assistance	\$2,868,485	\$3,139,997
Other grants and contract revenue	366,396	338,017
In-kind contributions	75,467	70,572
Interest income	9,311	23,819
Other	<u>5,055</u>	<u>9,888</u>
	3,324,714	3,582,293
Net assets released from restrictions:		
Restrictions satisfied by payments	27,799	27,205
United Way, IOLTA, SLVP and other funding for the year	<u>135,750</u>	<u>140,250</u>
	<u>3,488,263</u>	<u>3,749,748</u>
Expenses:		
Program services	3,205,793	3,517,418
Support services:		
Administrative, management and general	244,689	331,883
Fund raising	<u>127,871</u>	<u>110,318</u>
	<u>3,578,353</u>	<u>3,959,619</u>
Decrease in unrestricted net assets	<u>(90,090)</u>	<u>(209,871)</u>
Temporarily Restricted Net Assets:		
United Way, IOLTA, SLVP and other funding for next year	173,918	135,750
Federal Support:		
Legal Services Corporation	12,815	27,799
Net assets released from restrictions:		
Restrictions satisfied by payments and expiration of time	<u>(163,549)</u>	<u>(167,455)</u>
Increase (decrease) in temporarily restricted net assets	<u>23,184</u>	<u>(3,906)</u>
Permanently restricted net assets	<u>--</u>	<u>--</u>
Decrease in net assets	(66,906)	(213,777)
Net Assets at beginning of year	<u>766,187</u>	<u>979,964</u>
Net Assets at end of year	<u>\$ 699,281</u>	<u>\$ 766,187</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, 2009 AND 2008

	2009	2008
Cash flows from operating activities:		
Decrease in net assets	\$ (66,906)	\$(213,777)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Gain on disposal of fixed assets	(1,450)	--
Depreciation	27,688	18,744
(Increase) decrease in grants receivable	61,177	(62,079)
(Increase) decrease in unconditional promises to give	(2,000)	4,500
(Increase) decrease in other receivables	1,176	(1,187)
(Increase) decrease in prepaid expenses	51,460	(44,675)
Increase (decrease) in accounts payable	8,804	(12,104)
Decrease in accrued payroll	(1,657)	(8,586)
Increase (decrease) in accrued vacation	6,527	(2,198)
Net decrease in cash from operating activities	84,819	(321,362)
Cash flows from investing activities:		
Acquisition of property and equipment	(62,988)	(15,996)
(Purchase) maturity of certificates of deposit, net	91,627	(11,300)
Proceeds from disposal of fixed assets	1,450	--
Net increase (decrease) in cash from investing activities	30,089	(27,296)
Cash flows from financing activities:	--	--
Net increase (decrease) in cash	114,908	(348,658)
Cash balance at beginning of year	207,470	556,128
Cash balance at end of year	\$ 322,378	\$ 207,470
Supplemental disclosure of cash flow information:		
Interest paid during the year	\$ --	\$ --
Income taxes paid during the year	\$ --	\$ --

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

UTAH LEGAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

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.

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.

Notes to Financial Statements - Continued

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 \$339,275 and \$570,419 at a bank at June 30, 2009 and 2008, respectively. This exceeds the \$250,000 covered by federal depository insurance by \$89,275 and \$320,419, respectively.

3. Certificates of Deposit

At June 30, 2009 and 2008, the Organization has certificates of deposit at various banks totaling \$290,278 and \$381,905, respectively. The first has a balance of \$88,558. The twelve month certificate earns interest at 1.15% and matures on April 23, 2010. The second has a balance of \$114,720. The twelve month certificate earns interest at 2.13% and matures on May 17, 2010. The third has a balance of \$87,000. The eleven month certificate earns interest at 3.49% and matures on August 22, 2009.

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, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Health and Human Services	\$ 21,047	\$ 56,102
Salt Lake County - Division of		
Aging - Title III	4,415	11,876
Title III - All Other	12,561	8,735
United Way	1,600	--
State of Utah - Criminal Justice	26,733	20,113
Department of Justice - LAVA	10,995	39,108
State of Utah - GAD, FEP	<u>16,075</u>	<u>18,669</u>
 Total Grants Receivable	 <u>\$ 93,426</u>	 <u>\$154,603</u>

6. Unconditional Promises to Give

The amount due for unconditional promises to give consists of the following at June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Allocation for the next year:		
United Way	\$ 69,750	\$ 67,750
IOLTA	<u>60,000</u>	<u>60,000</u>
	<u>\$129,750</u>	<u>\$127,750</u>

The amounts from unconditional promises to give at June 30, 2009 and 2008 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, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
For subsequent periods:		
United Way	\$ 69,750	\$ 67,750
IOLTA	60,000	60,000
Foundations	44,168	8,000
Federal support not expended:		
Legal Services Corporation	<u>12,815</u>	<u>27,799</u>
	<u>\$186,733</u>	<u>\$163,549</u>

There are no permanently restricted net assets at June 30, 2009 and 2008.

Notes to Financial Statements - Continued

8. Property and Equipment

The following is a summary of property and equipment as of June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Property and equipment	\$211,913	\$312,396
Less accumulated depreciation	<u>124,938</u>	<u>260,721</u>
Property and equipment, net	<u>\$ 86,975</u>	<u>\$ 51,675</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, 2009 and 2008 was \$27,688 and \$18,744, respectively.

9. Lease Commitments

Utah Legal Services, Inc. leases office space for their Salt Lake, Ogden, Provo, and Cedar City 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, 2009 and 2008 amounted to \$194,781 and \$190,447, 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>
2010	\$163,124
2011	157,986
2012	143,850
2013	100,441
2014	39,252
Thereafter	<u>180,261</u>
	<u>\$784,914</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 \$236,050 on PAI during the year ended June 30, 2009. As noted in the following summary, ULS exceeded the requirement by \$9,181.

	<u>PAI</u>
LSC annualized basic field award at 12.5%	<u>\$236,050</u>
Expenses:	
Salaries	\$132,116
Employee benefits	46,500
Contract services	36,459
Space costs	9,403
Travel	5,015
Consumable supplies	2,072
Telephone	2,746
Equipment expense	1,115
Litigation	2,103
Library expense	2,222
Licenses and fees	390
Insurance	820
Training	1,278
Miscellaneous	411
Fixed asset acquisitions	<u>2,581</u>
	<u>245,231</u>
Expenses in excess of requirement	<u>\$ 9,181</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, 2009 and 2008, Utah Legal Services matching contributions amounted to \$46,680 and \$59,123, respectively.

12. Major Grantor

During the year ended June 30, 2009 and 2008, Utah Legal Services received \$2,055,907 and \$1,955,128, respectively, from Legal Services Corporation. This represents 58.5% and 52.2% of total revenues for the years ended June 30, 2009 and 2008, 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, 2009 and 2008, the Organization recorded in-kind contributions of \$75,467 and \$70,572, respectively. During the years ended June 30, 2009 and 2008, the Organization received approximately 3,300 and 3,000 hours of service from volunteers valued at an average of approximately \$18 per hour. In the years ending June 30, 2009 and 2008, ULS recorded \$11,410 and \$11,405, respectively of donated facilities and office equipment from the Second District Court related to its VAWA contract.

GOVERNMENTAL AUDITING STANDARDS REPORTS
AND SINGLE AUDIT INFORMATION

UTAH LEGAL SERVICES, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2009

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>\$2,042,992</u>
 <u>US Department of Health and Human Serv. (HHS)</u>			
Dept. of Health & Human Services	93.048	90AM3051/03	152,990
Passed Through State of Utah:			
Department of Workforce Services	93.558	086167	48,292
Davis County	93.044	N/A	5,434
Mountainlands Assoc of Govts	93.044	N/A	13,000
Southeastern UT AOG	93.044	N/A	3,000
San Juan County	93.044	N/A	1,300
Six County Aging Program	93.044	N/A	5,922
Five County Aging Program	93.044	N/A	12,000
Bear River Assoc of Govt-Title III	93.044	N/A	6,000
Uintah County Aging Program	93.044	N/A	1,491
Uintah Basin Aging Program	93.044	N/A	1,081
Weber County Title III	93.044	N/A	4,000
Tooele County Title XX	93.667	N/A	14,500
Tooele County Aging Program Title III	93.044	N/A	4,692
Passed Through State of Utah Through Salt Lake County:			
Dept of Aging Services	93.044	AE-07447-C	<u>56,211</u>
Total US Dept of HHS			<u>329,913</u>
 <u>US Department of Justice</u>			
Department of Justice	16.524	2005-WL-AX-0052	82,065
Passed Through State of Utah:			
Commission on Criminal and Juvenile Justice	16.575	08-VOCA-65	97,307
Commission on Criminal and Juvenile Justice	16.588	08-VOCA-66 08-VAWA-40/ 08-VAWA-41/ 07-VAWA-42	<u>108,651</u>
Total US Department of Justice			<u>288,023</u>
Total Federal Financial Assistance			<u>\$2,660,928</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, 2009

	<u>Supportive Services</u>		
	<u>Fund Raising</u>	<u>Management & General</u>	<u>Total</u>
Salary - attorney	\$ 89,411	\$ 72,972	\$ 162,383
Salary - other	7,456	70,370	77,826
Employee benefits	18,489	45,350	63,839
Contract services	1,814	16,309	18,123
Space costs	3,301	14,186	17,487
Travel	3,115	6,659	9,774
Consumable supplies	869	3,098	3,967
Telephone	1,038	3,955	4,993
Equipment expenses	568	1,681	2,249
Litigation	189	1,815	2,004
Library expenses	798	3,351	4,149
Licenses and fees	122	574	696
Insurance	315	1,238	1,553
Training expenses	58	598	656
In-kind expense	--	--	--
Miscellaneous	141	592	733
Depreciation	187	1,941	2,128
	<u>\$ 127,871</u>	<u>\$ 244,689</u>	<u>\$ 372,560</u>
Total Expenses			<u>\$ 3,205,793</u>
			<u>\$ 3,578,353</u>

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

UTAH LEGAL SERVICES, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2008

Supportive Services

	<u>Fund Raising</u>	<u>Management & General</u>	<u>Total</u>	<u>Program Services</u>	<u>Total</u>
Salary - attorney	\$ 64,312	\$ 88,632	\$ 152,944	\$1,058,920	\$1,211,864
Salary - other	13,441	109,846	123,287	995,473	1,118,760
Employee benefits	17,859	62,878	80,737	653,808	734,545
Contract services	3,974	21,552	25,526	226,240	251,766
Space costs	3,203	17,027	20,230	178,685	198,915
Travel	1,431	7,822	9,253	82,120	91,373
Consumable supplies	1,081	4,639	5,720	48,470	54,190
Telephone	1,154	4,348	5,502	45,289	50,791
Equipment expenses	926	2,193	3,119	22,497	25,616
Litigation	380	3,589	3,969	37,962	41,931
Library expenses	756	3,761	4,517	39,420	43,937
Licenses and fees	16	93	109	972	1,081
Insurance	353	1,804	2,157	18,924	21,081
Training expenses	94	866	960	9,156	10,116
In-kind expense	--	--	--	70,572	70,572
Miscellaneous	1,167	1,228	2,395	11,942	14,337
Depreciation	<u>171</u>	<u>1,605</u>	<u>1,776</u>	<u>16,968</u>	<u>18,744</u>
Total Expenses	\$ <u>110,318</u>	\$ <u>331,883</u>	\$ <u>442,201</u>	\$ <u>3,517,418</u>	\$ <u>3,959,619</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, 2009

SUMMARY

	LSC	Department of Justice			Other	Property	Total
Support							
Grants and contracts	\$2,055,907	\$ 288,023		\$ 539,539	\$ --	\$2,883,469	
Other	<u>2,319</u>	<u>66,456</u>		<u>559,203</u>	<u>--</u>	<u>627,978</u>	
	<u>2,058,226</u>	<u>354,479</u>		<u>1,098,742</u>	<u>--</u>	<u>3,511,447</u>	
Expenses							
Salary - attorney	735,122	120,122		257,679	--	1,112,923	
Salary - other	596,921	102,439		244,978	--	944,338	
Employee benefits	420,148	72,240		154,485	--	646,873	
Contract services	124,528	13,610		94,489	--	232,627	
Space costs	124,171	4,474		73,706	--	202,351	
Travel	60,109	14,797		19,802	--	94,708	
Consumable supplies	24,276	2,747		17,444	--	44,467	
Telephone	33,717	2,988		19,708	--	56,413	
Equipment expense	16,856	888		6,238	--	23,982	
Litigation	19,863	1,051		4,978	--	25,892	
Library expense	30,168	2,493		15,146	--	47,807	
Licenses and fees	5,483	198		2,511	--	8,192	
Insurance	11,052	389		6,214	--	17,655	
Training expense	7,907	428		192	--	8,527	
In-kind expense	--	15,467		60,000	--	75,467	
Miscellaneous	4,282	148		4,013	--	8,443	
Depreciation	<u>--</u>	<u>--</u>		<u>--</u>	<u>27,688</u>	<u>27,688</u>	
	<u>2,214,603</u>	<u>354,479</u>		<u>981,583</u>	<u>27,688</u>	<u>3,578,353</u>	
Excess (deficiency) of support over expenses	(156,377)	--		117,159	(27,688)	(66,906)	
Property acquisition	(5,000)	--		(57,988)	62,988	--	
Property disposition	--	--		--	--	--	
Fund transfers	<u>146,393</u>	<u>--</u>		<u>(146,393)</u>	<u>--</u>	<u>--</u>	
Increase (decrease) in net assets	(14,984)	--		(87,222)	35,300	(66,906)	
Beginning net assets	<u>27,799</u>	<u>--</u>		<u>686,713</u>	<u>51,675</u>	<u>766,187</u>	
Ending net assets	<u>\$ 12,815</u>	<u>\$ --</u>		<u>\$ 599,491</u>	<u>\$ 86,975</u>	<u>\$ 699,281</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, 2008

SUMMARY

	LSC	Department of Justice	Other	Property	Total
Support					
Grants and contracts	\$1,955,128	\$ 674,225	\$ 538,442	\$ --	\$3,167,795
Other	<u>10,583</u>	<u>63,340</u>	<u>504,124</u>	<u>--</u>	<u>578,047</u>
	<u>1,965,711</u>	<u>737,565</u>	<u>1,042,566</u>	<u>--</u>	<u>3,745,842</u>
Expenses					
Salary - attorney	755,976	164,110	291,778	--	1,211,864
Salary - other	674,842	143,729	300,189	--	1,118,760
Employee benefits	459,032	159,656	115,857	--	734,545
Contract services	42,895	118,641	90,230	--	251,766
Space costs	96,728	39,194	62,993	--	198,915
Travel	49,190	32,323	9,860	--	91,373
Consumable supplies	26,138	13,266	14,786	--	54,190
Telephone	22,656	13,429	14,706	--	50,791
Equipment expense	12,299	4,687	8,630	--	25,616
Litigation	23,308	15,210	3,413	--	41,931
Library expense	23,198	11,389	9,350	--	43,937
Licenses and fees	715	177	189	--	1,081
Insurance	11,174	3,699	6,208	--	21,081
Training expense	9,336	633	147	--	10,116
In-kind expense	--	16,822	53,750	--	70,572
Miscellaneous	3,091	600	10,646	--	14,337
Depreciation	<u>--</u>	<u>--</u>	<u>--</u>	<u>18,744</u>	<u>18,744</u>
	<u>2,210,578</u>	<u>737,565</u>	<u>992,732</u>	<u>18,744</u>	<u>3,959,619</u>
Excess (deficiency) of support over expenses	(244,867)	--	49,834	(18,744)	(213,777)
Property acquisition	--	--	(15,996)	15,996	--
Property disposition	--	--	--	--	--
Fund Transfers	<u>245,461</u>	<u>--</u>	<u>(245,461)</u>	<u>--</u>	<u>--</u>
Increase (decrease) in net assets	594	--	(211,623)	(2,748)	(213,777)
Beginning net assets	<u>27,205</u>	<u>--</u>	<u>898,336</u>	<u>54,423</u>	<u>979,964</u>
Ending net assets	<u>\$ 27,799</u>	<u>\$ --</u>	<u>\$ 685,713</u>	<u>\$ 51,675</u>	<u>\$ 766,187</u>

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

UTAH LEGAL SERVICES, INC.
 SCHEDULE OF SUPPORT AND EXPENSES
 JUNE 30, 2009
 LSC FUNDS

	Basic Field	Migrant	Native American	TIG	Total
Support					
Grants and contracts	\$ 1,888,396	\$ 70,804	\$ 82,957	\$ 13,750	\$ 2,055,907
Other	<u>2,319</u>	--	--	--	<u>2,319</u>
	<u>1,890,715</u>	<u>70,804</u>	<u>82,957</u>	<u>13,750</u>	<u>2,058,226</u>
Expenses					
Salary - attorney	666,674	41,985	11,314	15,149	735,122
Salary - other	495,541	63,584	36,183	1,613	596,921
Employee benefits	360,158	38,489	16,048	5,453	420,148
Contract services	112,224	1,964	7,413	2,927	124,528
Space costs	103,068	14,543	5,805	755	124,171
Travel	36,581	16,004	7,089	435	60,109
Consumable supplies	19,879	2,630	1,139	628	24,276
Telephone	27,666	4,177	1,650	224	33,717
Equipment expense	9,591	1,580	569	5,116	16,856
Litigation	12,183	7,430	243	7	19,863
Library expense	23,453	4,991	1,529	195	30,168
Dues and fees	4,553	679	226	25	5,483
Insurance	8,955	1,467	571	59	11,052
Training expense	6,771	1,240	296	(400)	7,907
In-kind expense	--	--	--	--	--
Miscellaneous	3,418	510	202	152	4,282
Depreciation	--	--	--	--	--
	<u>1,890,715</u>	<u>201,273</u>	<u>90,277</u>	<u>32,338</u>	<u>2,214,603</u>
Excess (deficiency) of support over expenses	--	(130,469)	(7,320)	(18,588)	(156,377)
Property acquisition	--	--	--	(5,000)	(5,000)
Property disposition	--	--	--	--	--
Fund transfers	--	130,469	--	15,924	146,393
Increase (decrease) in net assets	--	--	(7,320)	(7,664)	(14,984)
Beginning net assets	--	--	20,135	7,664	27,799
Ending net assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 12,815</u>	<u>\$ --</u>	<u>\$ 12,815</u>

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

UTAH LEGAL SERVICES, INC.
 SCHEDULE OF SUPPORT AND EXPENSES
 JUNE 30, 2008
 LSC FUNDS

	Basic Field	Migrant	Native American	TIG	Total
Support					
Grants and contracts	\$ 1,780,745	\$ 66,740	\$ 77,643	\$ 30,000	\$1,955,128
Other	<u>10,583</u>	--	--	--	<u>10,583</u>
	<u>1,791,328</u>	<u>66,740</u>	<u>77,643</u>	<u>30,000</u>	<u>1,965,711</u>
Expenses					
Salary - attorney	673,335	65,074	5,745	11,822	755,976
Salary - other	557,930	68,942	47,615	355	674,842
Employee benefits	395,536	48,096	12,026	3,374	459,032
Contract services	32,686	3,050	5,546	1,613	42,895
Space costs	75,340	14,594	6,451	343	96,728
Travel	31,395	14,428	2,328	1,039	49,190
Consumable supplies	21,480	3,477	1,082	99	26,138
Telephone	17,621	3,738	1,189	108	22,656
Equipment expense	7,671	1,540	503	2,585	12,299
Litigation	11,171	11,881	256	--	23,308
Library expense	17,614	4,375	1,123	86	23,198
Dues and fees	632	206	(125)	2	715
Insurance	8,471	1,827	804	72	11,174
Training expense	8,861	56	16	403	9,336
In-kind expense	--	--	--	--	--
Miscellaneous	2,223	279	154	435	3,091
Depreciation	--	--	--	--	--
	<u>1,861,966</u>	<u>241,563</u>	<u>84,713</u>	<u>22,336</u>	<u>2,210,578</u>
Excess (deficiency) of support over expenses	(70,638)	(174,823)	(7,070)	7,664	(244,867)
Property acquisition	--	--	--	--	--
Property disposition	--	--	--	--	--
Fund transfers	<u>70,638</u>	<u>174,823</u>	<u>--</u>	<u>--</u>	<u>245,461</u>
Increase (decrease) in net assets	--	--	(7,070)	7,664	594
Beginning net assets	--	--	<u>27,205</u>	--	<u>27,205</u>
Ending net assets	<u>--</u>	<u>--</u>	<u>\$ 20,135</u>	<u>\$ 7,664</u>	<u>\$ 27,799</u>

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

UTAH LEGAL SERVICES, INC.
SCHEDULE OF SUPPORT AND EXPENSES

JUNE 30, 2009

DOJ FUNDS

	Thru State of Utah			Total
	LAVA	VAVA	VOCA	
Support				
Grants and contracts	\$ 82,065	\$ 97,307	\$ 108,651	\$ 288,023
Other	--	36,875	29,581	66,456
	<u>82,065</u>	<u>134,182</u>	<u>138,232</u>	<u>354,479</u>
Expenses				
Salary - attorney	28,936	31,591	59,595	120,122
Salary - other	21,508	51,782	29,149	102,439
Employee benefits	15,632	27,800	28,808	72,240
Contract services	4,871	574	8,165	13,610
Space costs	4,474	--	--	4,474
Travel	1,588	5,158	8,051	14,797
Consumable supplies	863	1,884	--	2,747
Telephone	1,201	1,787	--	2,988
Equipment expenses	416	472	--	888
Litigation	529	237	285	1,051
Library expense	1,018	1,475	--	2,493
Licenses and fees	198	--	--	198
Insurance	389	--	--	389
Training expense	294	17	117	428
In-kind expense	--	11,405	4,062	15,467
Miscellaneous	148	--	--	148
Depreciation	--	--	--	--
	<u>82,065</u>	<u>134,182</u>	<u>138,232</u>	<u>354,479</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>

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

UTAH LEGAL SERVICES, INC.
SCHEDULE OF SUPPORT AND EXPENSES

JUNE 30, 2008
DOJ FUNDS

	Thru State of Utah			Total
	LAVA	VAVA	VOCA	
Support				
Grants and contracts	\$ 459,518	\$ 109,071	\$ 105,636	\$ 674,225
Other	--	37,215	26,125	63,340
	<u>459,518</u>	<u>146,286</u>	<u>131,761</u>	<u>737,565</u>
Expenses				
Salary - attorney	103,060	28,846	32,204	164,110
Salary - other	90,470	35,513	17,746	143,729
Employee benefits	65,279	49,811	44,566	159,656
Contract services	100,621	--	18,020	118,641
Space costs	39,194	--	--	39,194
Travel	13,751	6,206	12,366	32,323
Consumable supplies	8,791	4,475	--	13,266
Telephone	9,271	4,158	--	13,429
Equipment expense	3,140	1,547	--	4,687
Litigation	13,240	589	1,381	15,210
Library expense	7,791	3,598	--	11,389
Dues and fees	177	--	--	177
Insurance	3,698	1	--	3,699
Training expense	435	133	65	633
In-kind expense	--	11,409	5,413	16,822
Miscellaneous	600	--	--	600
Depreciation	--	--	--	--
	<u>459,518</u>	<u>146,286</u>	<u>131,761</u>	<u>737,565</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>

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

Burnham & Schumm, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1981 East Murray-Holladay Road
Suite 245
Salt Lake City, Utah 84117
Phone (801) 272 0111
Fax (801) 272-0125

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

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.
Salt Lake City, Utah

We have audited the financial statements of Utah Legal Services, Inc. (a nonprofit organization) as of and for the year ended June 30, 2009, and have issued our report thereon dated October 9, 2009. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Utah Legal Services, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Utah Legal Services, Inc.'s financial statements are free of 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.

We noted certain matters that we reported to management of Utah Legal Services, Inc. in a separate letter dated October 9, 2009.

This report is intended solely for the information and use of management, the audit committee, Board of Trustees, and federal awarding agencies and pass-through entities 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 9, 2009

Burnham & Schumm, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1981 East Murray-Holladay Road
Suite 245
Salt Lake City, Utah 84117
Phone (801) 272-0111
Fax (801) 272-0125

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

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of Utah Legal Services, Inc. (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the Legal Services Corporation (LSC) Audit Guide and Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Utah Legal Services, Inc.'s management. Our responsibility is to express an opinion on Utah Legal Services, Inc.'s compliance based on our audit.

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, Non-Profit Organizations, and the Legal Services Corporation (LSC) Audit Guide and Compliance Supplement. 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. Our audit does not provide a legal determination of Utah Legal Services, Inc.'s compliance with those requirements.

In our opinion, Utah Legal Services, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for year ended June 30, 2009.

Internal Control Over Compliance

The management of Utah Legal Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Utah Legal Services, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expression 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity, and federal awarding agencies and pass-through entities 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 9, 2009



UTAH LEGAL SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2009

A. Summary of Auditor's Results

1. The Independent Auditors' Report contained on page 1 of this report, issues an unqualified opinion on the financial statements of Utah Legal Services, Inc.
2. No significant deficiencies in internal control were disclosed by the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of Utah Legal Services, Inc. were disclosed during the audit.
4. The audit report on Utah Legal Services, Inc., for the year ended June 30, 2009 contains no significant deficiencies in internal control over major programs.
5. The auditor's report on compliance for the major federal awards program for Utah Legal Services, Inc. expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award program for Utah Legal Services, Inc.
7. Utah Legal Services, Inc. maintained one major program for the year ended June 30, 2009. The major program was funded by 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.

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 AUDITORS' REPORT ON STATE LEGAL COMPLIANCE

We have audited the financial statements of Utah Legal Services, Inc. (a nonprofit organization) for the year ended June 30, 2009, and have issued our report thereon dated October 9, 2009. As part of our audit, we have audited Utah Legal Services, Inc.'s compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to its major State assistance program as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2009. Utah Legal Services, Inc. received the following major State assistance program from the State of Utah:

Utah State Legislature, H.B. 1 (Administrative Office of the Courts)

Utah Legal Services, Inc. also received the following nonmajor grant which is not required to be audited for specific compliance requirements: (However, this program was subject to testwork as part of the audit of Utah Legal Services, Inc.'s financial statements.)

General Assistance (Department of Workforce Services)

The management of Utah Legal Services, Inc. is responsible for its compliance with the compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Utah Legal Services, Inc.'s compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

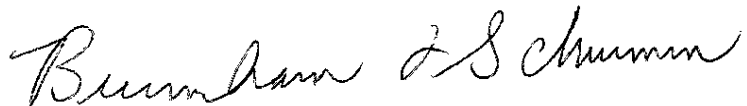
Our audit does not provide a legal determination on the Organization's compliance with these requirements.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above which are described in the accompanying management letter. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Utah Legal Services, Inc. complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to its major State assistance program for the year ended June 30, 2009.

The Organization's written response to the findings identified in our audit is described in the accompanying management letter. We did not audit the Organization's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of the Organization and is not intended to be and should not be used by anyone other than the specified party. However, the report is a matter of public record and its distribution is not limited.



Burnham & Schumm, P.C.
Salt Lake City, Utah
October 9, 2009