

ALASKA LEGAL SERVICES CORPORATION

Financial Statements, Additional
Information, and Single Audit Reports

Year Ended
December 31, 2008

ALASKA LEGAL SERVICES CORPORATION

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Independent Auditor's Report

Board of Directors
Alaska Legal Services Corporation
Anchorage, Alaska

We have audited the accompanying statement of financial position of Alaska Legal Services Corporation as of December 31, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Alaska Legal Services Corporation's 2007 financial statements and, in our report dated April 28, 2008, we expressed an unqualified opinion on those financial statements.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 audit provides 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 Alaska Legal Services Corporation as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 28, 2009, on our consideration of Alaska Legal Services Corporation'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.

Board of Directors
Alaska Legal Services Corporation

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Alaska Legal Services Corporation taken as a whole. The additional information on pages 14 through 40 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying Schedule of State Financial Assistance is presented for the purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our 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.

Mikunda, Cottrell & Co.

Anchorage, Alaska
April 28, 2009

ALASKA LEGAL SERVICES CORPORATION

Statement of Financial Position

December 31, 2008

(with comparative totals for 2007)

<u>Assets</u>	<u>2008</u>	<u>2007</u>
Current assets:		
Cash and cash equivalents		
Restricted	\$ 68,236	114,347
Unrestricted	104,624	(55,686)
Total cash and cash equivalents	172,860	58,661
Cash in trust - clients	51,654	8,724
Grant receivables	276,586	241,693
Other receivables	5,879	10,575
Prepaid expenses	87,115	82,649
Total current assets	594,094	402,302
Investments	189,312	299,754
Equipment, net	5,168	14,040
Other assets	17,279	17,279
	\$ 805,853	733,375
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	14,878	14,185
Payroll related liabilities	78,812	70,717
Deferred revenue	131,435	114,347
Client payables	51,654	8,724
Total current liabilities	276,779	207,973
Net assets:		
Unrestricted net assets		
Invested in equipment	5,168	14,040
Board designated	388,756	372,221
Undesignated	64,935	75,490
Temporarily restricted net assets	70,215	63,651
Total net assets	529,074	525,402
	\$ 805,853	733,375

See accompanying notes to financial statements.

ALASKA LEGAL SERVICES CORPORATION

Statement of Activities

Year Ended December 31, 2008

(with comparative totals for 2007)

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Totals</u>	
			<u>2008</u>	<u>2007</u>
Support and revenue:				
Grants and contracts	\$ 1,445,236	1,245,754	2,690,990	2,690,156
Investment income (loss)	(108,372)	395	(107,977)	23,461
Donated services	138,210	-	138,210	253,868
Contributions	231,506	-	231,506	174,697
Net assets released from restrictions- satisfaction of program restriction	<u>1,239,585</u>	<u>(1,239,585)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>2,946,165</u>	<u>6,564</u>	<u>2,952,729</u>	<u>3,142,182</u>
Expenses:				
Program services	2,473,961	-	2,473,961	2,718,703
Management and general	425,677	-	425,677	450,362
Fund raising	49,419	-	49,419	49,781
Total expenses	<u>2,949,057</u>	<u>-</u>	<u>2,949,057</u>	<u>3,218,846</u>
Change in net assets	(2,892)	6,564	3,672	(76,664)
Net assets, beginning of year	<u>461,751</u>	<u>63,651</u>	<u>525,402</u>	<u>602,066</u>
Net assets, end of year	\$ <u>458,859</u>	<u>70,215</u>	<u>529,074</u>	<u>525,402</u>

See accompanying notes to financial statements.

ALASKA LEGAL SERVICES CORPORATION

Statement of Cash Flows

Year Ended December 31, 2008

(with comparative totals for 2007)

	Total All Funds	
	2008	2007
Cash flows from operating activities:		
Change in net assets	\$ 3,672	(76,664)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	8,872	15,935
Unrealized loss (gain) on marketable securities	126,563	(3,509)
(Increase) decrease in current assets:		
Cash in trust - clients	(42,930)	(8,050)
Grant receivables	(34,893)	(118,475)
Other receivables	4,696	(8,655)
Prepaid expenses	(4,466)	(22,731)
Increase (decrease) in current liabilities:		
Accounts payable	693	(23,084)
Payroll related liabilities	8,095	(7,951)
Deferred revenue	17,088	54,753
Client payables	42,930	8,050
Net cash provided by (used in) operating activities	130,320	(190,381)
 Cash flows from investing activities:		
Acquisition of property and equipment	-	(5,439)
Purchase of marketable securities	(16,121)	(16,650)
Net cash used in investing activities	(16,121)	(22,089)
 Net increase (decrease) in cash and cash equivalents	114,199	(212,470)
 Cash and cash equivalents, beginning of year	58,661	271,131
 Cash and cash equivalents, end of year	\$ 172,860	58,661

See accompanying notes to financial statements.

ALASKA LEGAL SERVICES CORPORATION

Notes to Financial Statements

December 31, 2008

(1) Summary of Operations and Significant Accounting Policies

Operations

Alaska Legal Services Corporation (ALSC) is a nonprofit corporation organized for the purpose of providing legal assistance in non-criminal proceedings or matters to individuals financially unable to afford legal assistance in Alaska.

Basis of Accounting

The financial statements of ALSC have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, ALSC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fund Accounting

The accounts of ALSC are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund.

Contributions

ALSC accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

ALASKA LEGAL SERVICES CORPORATION

Notes to Financial Statements, continued

Summary of Operations and Significant Accounting Policies, continued

Grant and Contract Support

ALSC receives a significant portion of its funding from the Legal Services Corporation (LSC), a nonprofit corporation organized by Congress to administer the Federal government's legal assistance program. ALSC recognizes support from LSC grants on a straight-line basis over the grant period. Unexpended funds are recorded as an increase to temporarily restricted net assets. Support from cost reimbursable grants is recognized as expenses are incurred. Funds from cost reimbursable grants remaining unused at the end of an accounting period are deferred as advance payments. A granting agency may, at its discretion, request return of monies as a result of noncompliance by ALSC with the terms of the grant. In addition, if ALSC terminates its legal assistance activities, all unused monies are to be returned to the granting agencies.

Allocation of Expenses

Expenses are allocated to various grants based upon the nature of the expense item and the terms of the grant. In certain instances, grant budgets specify the expenditures allowed and as these expenses are incurred, they are charged to the grant (specific identification). In the absence of an agreement, common expenses incurred are charged to the grants, principally based on a labor-basis allocation process.

Cash and Cash Equivalents

ALSC considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Equipment and Depreciation

Equipment purchased are recorded at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Purchases of equipment made with grant or contract monies are recorded at cost. Generally, title to equipment acquired with the proceeds of grant or contract moneys vests with ALSC, subject to specific conditions related to the use and disposition of such equipment. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets which range from 3 to 5 years.

Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, ALSC reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. ALSC reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Investments

ALSC carries investments in marketable securities with readily determinable fair values at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

ALASKA LEGAL SERVICES CORPORATION

Notes to Financial Statements, continued

Summary of Operations and Significant Accounting Policies, continued

Income Taxes

ALSC qualifies for exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. ALSC also qualifies for exemption from Alaska income taxes, and therefore, has made no provision in its financial statements for federal and state income taxes. In addition, ALSC has been determined by the Internal Revenue Service not to be a "Private Foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Summarized Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with ALSC's financial statements for the year ended December 31, 2007, from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to the 2007 financial statements to conform to the current year presentation. The reclassifications had no effect on net assets.

(2) Cash and Cash Equivalents

The book and bank amounts at December 31, 2008, were \$224,514 and \$274,918, respectively. Funds are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2008, all of ALSC's bank balances were insured by FDIC.

ALSC is not a party to any financial instruments with off-balance sheet risk. Financial instruments which potentially subject ALSC to concentrations of credit risk are demand deposits and temporary cash investments held in financial institutions.

(3) Cash in Trust

Client Deposits

Client deposits represent funds received by ALSC on behalf of various clients and held in trust until such time as the funds are released to or expended on behalf of those clients. Accordingly, these funds, totaling \$51,654 at December 31, 2008, are restricted.

(4) Investments

Investments are recorded at fair value and consist of the following at December 31, 2008:

<u>Long-Term</u>	Fair Value (Market)	<u>Cost</u>
Mutual Funds	\$ <u>189,312</u>	\$ <u>260,945</u>

ALASKA LEGAL SERVICES CORPORATION

Notes to Financial Statements, continued

Investments, continued

Investment loss of \$108,372 includes \$126,563 of unrealized losses for the year ended December 31, 2008.

(5) **Fair Value Measurements**

Included in investment related line items in the financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stock when carried at the lower of cost or market.

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced or liquidation sale.

Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality (matrix pricing). In instances where there is little or no market activity for the same or similar instruments, the Corporation estimates fair value using methods, models and assumptions that management believes market participants would use to determine a current transaction price. These valuation techniques involve some level of management estimation and judgment which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model or input used.

The Corporation's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by SFAS No. 157, Fair Value Measurements. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

- *Level 1* - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.
- *Level 2* - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

ALASKA LEGAL SERVICES CORPORATION

Notes to Financial Statements, continued

Fair Value Measurements, continued

- *Level 3* – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The following table provides information as of December 31, 2008 about the Company's financial assets and liabilities measured at fair value on a recurring basis.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets at fair value – investments	\$ <u>189,312</u>	<u>-</u>	<u>-</u>	<u>189,312</u>

Given the narrow definition of Level 1 and the Corporation's investment asset strategy, all of the Corporation's investment assets are classified in Level 1. These assets include actively-traded exchange-listed equity securities and some short-term money market mutual funds. Unadjusted quoted prices for these securities are provided to the Corporation by independent pricing services. Separate account assets in Level 1 primarily include actively-traded institutional and retail mutual fund investments valued by the respective mutual fund companies.

(6) Risks, Uncertainties and Subsequent Events

Subsequent to year-end, the credit and liquidity crisis in the United States and throughout the global financial system has resulted in substantial volatility in financial markets and the banking system. These and other economic events have had a significant adverse impact on investment portfolios. As a result, the corporation's investments have likely incurred a significant decline in fair value since December 31, 2008.

(7) Equipment

The following is a summary of changes to equipment for the year ended December 31, 2008:

	January 1, <u>2008</u>	<u>Additions</u>	<u>Deletions</u>	December 31, <u>2008</u>
Equipment	\$ 426,627	-	(16,894)	409,733
Accumulated depreciation	(412,587)	(8,872)	16,894	(404,565)
	\$ <u>14,040</u>	(8,872)	<u>-</u>	<u>5,168</u>

ALASKA LEGAL SERVICES CORPORATION

Notes to Financial Statements, continued

(8) **Donated Services**

Donated property and services represent the value of property and services contributed to ALSC. The value of these items is based upon management's best estimate of the salary or cost which would normally be paid for equivalent items at the time of donation. Donated services of \$138,210 in 2008 are recognized as support and contract services expense in the accompanying financial statements. Donated service ("pro bono") revenues and expenses are recorded at the time cases are closed either within the Alaska Bar Foundation, or other funds, as applicable.

(9) **Management and Fund Raising Costs**

ALSC management costs were \$425,677, and its fund raising costs were \$49,419 in 2008. Management costs include overall direction, accounting, budgeting, general board activities and related items.

(10) **Pension Plan**

ALSC employees may elect to contribute up to the lesser of \$15,500 or 20% of their annual compensation to a 403(b)(7) defined contribution plan. Contributions are deposited at the discretion of the employee. ALSC's contribution to the plan was \$49,902 in 2008.

(11) **Private Attorney Involvement**

ALSC expended funds supporting the Private Attorney Involvement program totaling \$88,497 which represents 12.3% of the Legal Services Corporation - Basic Field Grant amount during 2008. The portion funded by Alaska Bar Foundation was \$61,063 in 2008.

(12) **Legal Services Corporation (LSC) 10% Limit**

At December 31, 2008, funds contributed by LSC had net asset balances of \$70,215. This is 5.6% of annualized LSC income. LSC allows the funded corporations to carryover funds into the next fiscal year in an amount of up to 10% of their LSC annualized income. In order to carry over amounts between 10% and 25% of LSC's annualized funding, ALSC must get approval from LSC.

(13) **Net Assets Released from Restriction**

For the year ended December 31, 2008, net assets were released from donor restrictions when expenses were incurred to satisfy the restricted purposes as follows:

Legal Services Corporation	\$ <u>1,239,585</u>
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ALASKA LEGAL SERVICES CORPORATION

Notes to Financial Statements, continued

(14) **Restrictions on Net Assets**

At December 31, 2008, ALSC had temporarily restricted net assets which were received from the following sources:

Legal Services Corporation	\$ <u>70,215</u>
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(15) **Board Designated Net Assets**

Board designated net assets at December 31, 2008 were \$388,756. These net assets are designated for the Alaska Legal Services Corporation Endowment Fund. Income and gains from the endowment fund will not be disbursed until the total amount of the fund reaches one million dollars, unless in the sole discretion of the members of the ALSC Board of Directors, disbursements are necessary to the achievement of the goals and objectives of ALSC. Such a determination shall require a 2/3 majority vote of the ALSC Board.

(16) **Commitments**

ALSC leases office space and equipment under various leases. The equipment leases are primarily for photocopy equipment.

The following is a schedule of future minimum lease payments for the next five years for office space and equipment rental under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2008:

December 31:		
	2009	\$ 254,580
	2010	209,942
	2011	208,144
	2012	211,352
	2013	178,326

Total rent expense for office space and equipment was \$328,963 for 2008.

At December 31, 2008, \$29,000 of cash and equipment have been pledged to secure notary bonds.

ADDITIONAL INFORMATION

ALASKA LEGAL SERVICES CORPORATION

Combining Statement of Activities

Program Funds - All Sources

Year Ended December 31, 2008

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Support and revenue:				
Grants and contracts	\$ 1,717,537	646,904	326,549	2,690,990
Investment income	580	12	(108,569)	(107,977)
Donated services	9,636	-	128,574	138,210
Contributions	<u>5,000</u>	<u>-</u>	<u>226,506</u>	<u>231,506</u>
Total support and revenue	<u>1,732,753</u>	<u>646,916</u>	<u>573,060</u>	<u>2,952,729</u>
 Expenses:				
Salaries	720,460	441,808	490,573	1,652,841
Fringe	244,912	116,149	144,908	505,969
Travel	62,619	6,594	16,985	86,198
Office expense	208,073	63,649	93,242	364,964
Supplies	13,031	5,900	18,694	37,625
Minor equipment	21,093	793	6,797	28,683
Other	87,098	16,444	160,363	263,905
Administrative costs	366,196	3,680	(369,876)	-
Depreciation	<u>-</u>	<u>-</u>	<u>8,872</u>	<u>8,872</u>
Total expenses	<u>1,723,482</u>	<u>655,017</u>	<u>570,558</u>	<u>2,949,057</u>
 Change in net assets	9,271	(8,101)	2,502	3,672
 Transfers from (to) other funds	34,629	8,101	(42,730)	-
 Net assets, beginning of year	<u>63,865</u>	<u>-</u>	<u>461,537</u>	<u>525,402</u>
 Net assets, end of year	\$ <u>107,765</u>	<u>-</u>	<u>421,309</u>	<u>529,074</u>

ALASKA LEGAL SERVICES CORPORATION
 Combining Statement of Activities
 Federal Sources

Year Ended December 31, 2008

	Legal Services Corporation		Department of Interior		Department of Health & Human Services		Department of Justice		Department of Housing and Urban Development		Total
	Basic Field Grant	Native American	Native Allotment Contracts	Title III NTS Grant	Family Caregiver Grant	Domestic Violence Grants	Municipality of Anchorage Children At-Risk Project	All Federal Sources			
Support and revenue:											
Grants and contracts	\$ 720,614	525,140	137,636	89,006	33,231	153,958	57,952	1,717,537			
Investment income	323	72	165	17	3	-	-	580			
Contributions	-	-	5,000	-	-	-	-	5,000			
Donated services	-	-	-	9,636	-	-	-	9,636			
Total support and revenue	<u>720,937</u>	<u>525,212</u>	<u>142,801</u>	<u>98,659</u>	<u>33,234</u>	<u>153,958</u>	<u>57,952</u>	<u>1,732,753</u>			
Expenses:											
Salaries	251,237	224,910	40,590	49,094	19,851	92,334	42,444	720,460			
Fringe	96,022	63,593	11,966	22,014	9,305	26,504	15,508	244,912			
Travel	7,281	10,813	42,298	-	1,342	885	-	62,619			
Office expense	102,112	51,038	12,119	13,636	5,726	23,442	-	208,073			
Supplies	6,725	3,441	666	637	488	1,074	-	13,031			
Minor equipment	15,865	2,546	922	426	609	725	-	21,093			
Other	55,696	9,786	4,533	12,852	759	3,472	-	87,098			
Administrative costs	203,441	135,079	22,154	-	-	5,522	-	366,196			
Total expenses	<u>738,379</u>	<u>501,206</u>	<u>135,248</u>	<u>98,659</u>	<u>38,080</u>	<u>153,958</u>	<u>57,952</u>	<u>1,723,482</u>			
Change in net assets	(17,442)	24,006	7,553	-	(4,846)	-	-	9,271			
Transfers from other funds	-	-	29,783	-	4,846	-	-	34,629			
Net assets, beginning of year	<u>63,651</u>	<u>-</u>	<u>214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,865</u>			
Net assets, end of year	\$ <u>46,209</u>	<u>24,006</u>	<u>37,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,765</u>			

ALASKA LEGAL SERVICES CORPORATION
Combining Statement of Activities
State Sources
Year Ended December 31, 2008

	Department of Health and Social Services				Alaska Mental Health Authority	Department of Commerce Community Economic Development	Alaska Housing Finance Corporation	Total	
	Fairbanks	Matanuska-Susitna Borough Grants	Nutrition, Transportation & Support Grants	National Family Caregiver Grants To Alaska	Essential Human Services Grants	Office of Public Advocacy	Beneficiary Self-Sufficiency	Homeless Assistance Program	All State Sources
Support and revenue:									
Grants and contracts	\$ 50,000	39,246	28,084	10,408	258,765	2,294	24,903	9,571	646,904
Investment income	-	-	-	-	12	-	-	-	12
Total support and revenue	<u>50,000</u>	<u>39,246</u>	<u>28,084</u>	<u>10,408</u>	<u>258,777</u>	<u>2,294</u>	<u>24,903</u>	<u>9,571</u>	<u>646,916</u>
Expenses:									
Salaries	31,331	24,477	28,084	10,408	165,790	2,459	18,542	6,397	441,808
Fringe	9,029	10,718	-	-	48,183	757	2,278	2,079	116,149
Travel	-	-	-	-	6,471	-	123	-	6,594
Office expense	7,150	6,592	-	-	23,625	528	2,889	924	63,649
Supplies	833	277	-	-	3,499	48	242	77	5,900
Minor equipment	118	39	-	-	-	8	216	161	793
Other	1,232	982	-	-	11,209	94	613	106	16,444
Administrative costs	<u>1,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>752</u>	<u>-</u>	<u>1,737</u>	<u>3,680</u>
Total expenses	<u>50,000</u>	<u>43,085</u>	<u>28,084</u>	<u>10,408</u>	<u>258,777</u>	<u>4,646</u>	<u>24,903</u>	<u>11,481</u>	<u>655,017</u>
Change in net assets	-	(3,839)	-	-	-	(2,352)	-	(1,910)	(8,101)
Transfers from other funds	-	3,839	-	-	-	2,352	-	1,910	8,101
Net assets, beginning of year	-	-	-	-	-	-	-	-	-
Net assets, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ALASKA LEGAL SERVICES CORPORATION

Combining Statement of Activities

Other Sources

Year Ended December 31, 2008

	City of <u>Ketchikan</u>	Alaska Bar <u>Foundation</u>	Bristol Bay Native <u>Association</u>	Maniilaq <u>Inc.</u>	Other Native <u>Organizations</u>	Partners in Justice <u>Campaign</u>	Other <u>Sources</u>	Total All Other <u>Sources</u>
Support and revenue:								
Grants and contracts	\$ 22,000	66,337	77,000	139,059	10,378	-	11,775	326,549
Investment income	13	32	-	-	31	(108,659)	14	(108,569)
Donated services	-	-	-	-	-	-	128,574	128,574
Contributions	-	-	-	-	3,659	221,411	1,436	226,506
Total support and revenue	<u>22,013</u>	<u>66,369</u>	<u>77,000</u>	<u>139,059</u>	<u>14,068</u>	<u>112,752</u>	<u>141,799</u>	<u>573,060</u>
Expenses:								
Salaries	12,744	36,094	43,938	77,782	5,757	9,019	305,239	490,573
Fringe	4,705	12,220	14,260	24,941	2,332	2,978	83,472	144,908
Travel	15	5	24	917	282	-	15,742	16,985
Office expense	3,610	7,432	3,866	11,282	1,248	2,863	62,941	93,242
Supplies	147	585	462	381	64	5,522	11,533	18,694
Minor equipment	388	291	482	538	21	1,449	3,628	6,797
Other	404	4,436	2,794	2,348	225	3,573	146,583	160,363
Administrative costs	-	-	12,453	20,870	1,697	4,447	(409,343)	(369,876)
Depreciation and amortization	-	-	-	-	-	-	8,872	8,872
Total expenses	<u>22,013</u>	<u>61,063</u>	<u>78,279</u>	<u>139,059</u>	<u>11,626</u>	<u>29,851</u>	<u>228,667</u>	<u>570,558</u>
Change in net assets	-	5,306	(1,279)	-	2,442	82,901	(86,868)	2,502
Transfers to (from) other funds	-	-	1,279	-	1,235	(122,902)	77,658	(42,730)
Net assets, beginning of year	-	8,889	-	-	5,737	431,989	14,922	461,537
Net assets, end of year	\$ -	<u>14,195</u>	-	-	<u>9,414</u>	<u>391,988</u>	<u>5,712</u>	<u>421,309</u>

ALASKA LEGAL SERVICES CORPORATION

Schedule of Expenses by Function

Year Ended December 31, 2008

	<u>Program</u>	<u>Management</u>	<u>Fund</u>	<u>Total</u>
	<u>Services</u>	<u>and General</u>	<u>Raising</u>	
Salaries:				
Lawyers	\$ 934,358	64,143	7,701	1,006,202
Paralegals	71,931	-	-	71,931
Donated	18,365	-	-	18,365
Other	<u>357,613</u>	<u>187,389</u>	<u>11,341</u>	<u>556,343</u>
Total salaries	1,382,267	251,532	19,042	1,652,841
Fringe	<u>427,033</u>	<u>72,948</u>	<u>5,988</u>	<u>505,969</u>
Total personnel expenses	<u>1,809,300</u>	<u>324,480</u>	<u>25,030</u>	<u>2,158,810</u>
Travel	<u>73,868</u>	<u>11,993</u>	<u>337</u>	<u>86,198</u>
Office expense:				
Office rent	252,692	33,240	3,447	289,379
Donated office rent	12,985	-	-	12,985
Telephone	40,651	4,829	221	45,701
Postage	<u>12,834</u>	<u>2,541</u>	<u>1,524</u>	<u>16,899</u>
Total office expense	<u>319,162</u>	<u>40,610</u>	<u>5,192</u>	<u>364,964</u>
Supplies	<u>26,052</u>	<u>5,870</u>	<u>5,703</u>	<u>37,625</u>
Minor equipment	<u>23,684</u>	<u>3,452</u>	<u>1,547</u>	<u>28,683</u>
Other:				
Copying and printing	4,216	1,442	902	6,560
Training	3,896	-	-	3,896
Library	15,302	756	146	16,204
Insurance	23,175	5,134	189	28,498
Dues and fees	17,177	-	-	17,177
Audit	-	19,442	-	19,442
Litigation	35,143	84	40	35,267
Contract services	6,656	1,225	1,695	9,576
Donated services	106,860	-	-	106,860
Administrative costs	-	(7,707)	7,707	-
Other	<u>9,470</u>	<u>10,024</u>	<u>931</u>	<u>20,425</u>
Total other	<u>221,895</u>	<u>30,400</u>	<u>11,610</u>	<u>263,905</u>
Depreciation	<u>-</u>	<u>8,872</u>	<u>-</u>	<u>8,872</u>
Total expenses	\$ <u>2,473,961</u>	<u>425,677</u>	<u>49,419</u>	<u>2,949,057</u>

ALASKA LEGAL SERVICES CORPORATION
Schedule of Grant and Contract Revenues by Funding Sources
Year Ended December 31, 2008

<u>Grantor</u>	<u>Period</u>	<u>Amount of Award</u>	<u>Revenue recognized in FY 2008</u>	<u>Support</u>		
				<u>Expended During 2008</u>	<u>Unexpended at December 31, 2008</u>	
<u>Legal Services Corporation</u>						
Basic Field	01/01/07-12/31/07	\$ 717,081	-	63,651	-	
Basic Field	01/01/08-12/31/08	720,614	720,614	674,405	46,209	(1)
Native American	01/01/08-12/31/08	525,140	525,140	501,134	24,006	(1)
<u>State of Alaska - Dept of Health and Social Services</u>						
607-08-101	07/01/07-06/30/08	132,159	44,029	44,029	-	
607-08-300	07/01/07-06/30/08	52,000	24,517	24,517	-	
607-09-101	07/01/08-06/30/09	145,375	73,061	73,061	72,314	(2)
607-09-300	07/01/08-06/30/09	57,216	19,122	19,122	7,008	(1)
605-08-015	04/01/08-06/30/09	42,084	42,084	42,084	-	
605-08-016	04/01/08-06/30/08	38,783	14,176	14,176	-	
605-08-017	04/01/08-06/30/08	30,000	27,779	27,779	-	
605-08-018	04/01/08-06/30/08	58,881	33,065	33,065	-	
605-09-015	07/01/08-06/30/09	79,050	36,034	36,034	3,907	(1)
605-09-016	07/01/08-06/30/09	75,457	22,599	22,599	52,858	(2)
605-09-017	07/01/08-06/30/09	53,889	29,067	29,067	11,033	(1)
605-09-018	07/01/08-06/30/09	108,992	53,961	53,961	55,031	(2)
<u>State of Alaska-Office of Public Advocacy</u>						
Court Appointment Reimbursements	01/01/08-12/31/2008	None	2,294	2,294	-	
<u>State of Alaska-Dept of Commerce, Community, and Economic Development</u>						
09-DO-003	07/01/08-06/30/09	200,000	100,000	100,000	100,000	(2)
<u>Other Native Grants</u>						
Native Allotment Training Grants	01/01/06-12/31/06	180,000	-	-	214	(1)
<u>Central Council Tlingit and Haida Indian Tribes of Alaska</u>						
Personal Services Contract	11/01/06-12/31/08	30,000	16,553	16,553	-	
<u>Inupiat Community of the Arctic Slope</u>						
Personal Services Contract	10/09/06-09/30/07	18,000	12,292	-	12,292	(1)
<u>Bristol Bay Native Association</u>						
Professional Services Contract	12/01/06-10/31/08	95,000	33,348	33,348	-	
<u>Native Village of Kotzebue</u>						
Personal Services Contract	5/01/08-12/31/08	23,000	3,229	3,229	19,771	(2)
<u>Tanana Chief's Conference</u>						
Personal Services Contract	04/01/07-04/30/08	50,000	34,048	9,031	25,017	(1)
<u>Tanana Chief's Conference</u>						
Personal Services Contract	05/01/08-09/30/08	25,000	12,782	12,782	-	

ALASKA LEGAL SERVICES CORPORATION
Schedule of Grant and Contract Revenues by Funding Sources, continued

<u>Grantor</u>	<u>Period</u>	<u>Amount of Award</u>	<u>Revenue recognized in FY 2008</u>	<u>Support</u>		
				<u>Expended During 2008</u>	<u>Unexpended at December 31, 2008</u>	
<u>Bristol Bay Native Association</u>						
Professional Services Contract	06/01/08-09/30/09	\$ 95,000	25,384	25,384	89,873	(1)
<u>Department of Justice</u>						
FY-04-01	07/01/04-12/31/09	414,086	107,618	107,618	84,061	(2)
2006-WL-AX-0055	08/01/06-03/31/09	250,000	46,340	46,340	87,869	(2)
<u>State of Alaska - Alaska Mental Health Trust Authority</u>						
Beneficiary Self Sufficiency Project	07/01/07-06/30/08	50,000	24,903	24,903	-	
<u>Matanuska-Susitna Borough</u>						
20367-5503	07/01/07-06/30/08	30,181	21,010	21,010	-	
20371-5502	07/01/08-06/30/09	35,000	18,236	18,236	16,764	(2)
<u>Municipality of Anchorage</u>						
PSV-08-ALSL-1	01/01/08-12/31/09	120,000	57,952	57,952	62,048	(2)
<u>United Way of Anchorage</u>						
HSMG 08-ALS	07/01/07-06/30/08	132,791	51,294	51,294	-	
HSMG 09-ALS	07/01/08-06/30/09	144,678	72,339	72,339	72,339	(2)
<u>Fairbanks North Star Borough</u>						
HSS8AL	07/01/07-06/30/08	50,000	25,000	25,000	-	
HSS9LG	07/01/08-06/30/09	50,000	25,000	25,000	25,000	(2)
<u>City of Ketchikan</u>						
2008 Agreement	01/01/08-12/31/08	22,000	22,000	22,000	-	
<u>Alaska Bar Foundation</u>						
Fiscal Year 2003	07/01/02-06/30/03	78,267	-	-	7,963	(1)
Fiscal Year 2008	07/01/07-06/30/08	71,000	35,102	29,810	5,292	(1)
Fiscal Year 2009	07/01/08-06/30/09	77,000	31,235	31,235	7,266	(1)
<u>Maniilaq Association</u>						
Professional Services Agreement	10/01/07-09/30/08	239,000	139,059	139,059	-	
<u>Bristol Bay Native Association</u>						
Contract for Professional Services	01/01/08-12/31/08	77,000	77,000	77,000	-	
<u>Kotzebue IRA Council</u>						
Contract for Professional Services	09/01/04-12/31/08	15,000	2,467	2,467	5,735	(1)
<u>Kenaitze Indian Tribe Contracts</u>						
Professional Services Agreement	04/24/08-06/16/08	5,000	5,000	5,000	-	
Professional Services Agreement	None	5,000	2,911	2,911	2,089	(2)

ALASKA LEGAL SERVICES CORPORATION
Schedule of Grant and Contract Revenues by Funding Sources, continued

<u>Grantor</u>	<u>Period</u>	<u>Amount of Award</u>	<u>Revenue recognized in FY 2008</u>	<u>Support</u>	
				<u>Expended During 2008</u>	<u>Unexpended at December 31, 2008</u>
<u>American College of Bankruptcy Grant</u> Pro Bono Program		\$ 4,000	26	26	-
<u>Fairbanks Memorial Hospital</u> Golden Heart Project	None	None	30	30	-
<u>Rasmuson Foundation</u> General Support Grant	None	5,036	5,036	5,036	-
<u>Anchorage Bar Association</u> Public Service Subgrant	None	10,000	403	403	4,606 (1)
<u>Interior Alaska Center For Nonviolent Living</u> Contract for Legal Services	04/01/08-09/30/09	15,000	5,017	5,017	9,983 (2)
<u>Alaska Housing Finance Corporation</u> Homeless Assistance Program	07/01/08-06/30/09	24,600	<u>9,571</u>	<u>9,571</u>	<u>15,029</u> (2)
			\$ <u>2,689,727</u>	<u>2,640,562</u>	<u>925,577</u>

Note: ALSC is funded through a grant from LSC plus various other grants and cost-reimbursement contracts. In accordance with LSC disclosure requirements, funds not earned or expended during the year must be disclosed as unrecognized or unexpended support. Unrecognized support does not represent receivables or grant advances. The availability of these funds for future use is dependent upon terms of the individual grants.

- (1) These amounts represent grant funds received but not expended as of December 31, 2008.
- (2) These amounts represent the unexpended grant amount available and not receivables or grant advances.

ALASKA LEGAL SERVICES CORPORATION
Combining Schedule of Private Attorney Involvement Expense
Year Ended December 31, 2008

<u>Description</u>	<u>IOLTA 08</u>	<u>IOLTA 09</u>	<u>Other Funds</u>	<u>Subtotal</u>	<u>Donated Services</u>	<u>Total</u>
Salaries	\$ 18,083	18,011	10,417	46,511	-	46,511
Employee benefits	6,883	5,337	3,829	16,049	-	16,049
Office and premises	3,560	3,872	2,871	10,303	-	10,303
Travel	-	5	-	5	-	5
Supplies	364	221	183	768	-	768
Equipment and furniture	137	154	458	749	-	749
Other	<u>795</u>	<u>3,641</u>	<u>9,676</u>	<u>14,112</u>	<u>106,860</u>	<u>120,972</u>
 Total expense	 \$ <u>29,822</u>	 <u>31,241</u>	 <u>27,434</u>	 <u>88,497</u>	 <u>106,860</u>	 <u>195,357</u>

ALASKA LEGAL SERVICES CORPORATION
Schedule of Revenue and Expenses - Budget to Actual
Nutrition, Transportation, & Support
Grant 607-08-101
Grant Period Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance</u>
		<u>Prior Year</u>	<u>Current</u>		
Revenues - grant income	\$ <u>132,159</u>	<u>88,130</u>	<u>44,029</u>	<u>132,159</u>	<u>-</u>
Expenses:					
Personal services	113,131	74,851	37,804	112,655	476
Facility expense	13,800	10,350	4,441	14,791	(991)
Supplies	1,700	675	461	1,136	564
Equipment	600	178	126	304	296
Other expense	<u>2,928</u>	<u>2,076</u>	<u>1,197</u>	<u>3,273</u>	<u>(345)</u>
Total expenses	<u>132,159</u>	<u>88,130</u>	<u>44,029</u>	<u>132,159</u>	<u>-</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

ALASKA LEGAL SERVICES CORPORATION
 Schedule of Revenue and Expenses - Budget to Actual
 Nutrition, Transportation & Support
 Grant 607-09-101
 Six Months Ended December 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues - grant income	\$ <u>145,375</u>	<u>73,061</u>	<u>72,314</u>
Expenses:			
Personal services	111,211	61,371	49,840
Facility expense	16,000	9,195	6,805
Supplies	2,000	708	1,292
Equipment	300	300	-
Other expense	<u>15,864</u>	<u>1,487</u>	<u>14,377</u>
Total expenses	<u>145,375</u>	<u>73,061</u>	<u>72,314</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>

ALASKA LEGAL SERVICES CORPORATION
Schedule of Revenue and Expenses - Budget to Actual
National Family Caregiver Program
Grant 607-08-300
Grant Period Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance</u>
		<u>Prior Year</u>	<u>Current</u>		
Revenues - grant income	\$ <u>52,000</u>	<u>27,483</u>	<u>24,517</u>	<u>52,000</u>	<u>-</u>
Expenses:					
Personal services	43,083	23,045	19,544	42,589	494
Travel	1,208	-	1,208	1,208	-
Facility expense	5,800	3,520	2,826	6,346	(546)
Supplies	962	544	418	962	-
Equipment	447	161	285	446	1
Other expense	<u>500</u>	<u>213</u>	<u>236</u>	<u>449</u>	<u>51</u>
Total expenses	<u>52,000</u>	<u>27,483</u>	<u>24,517</u>	<u>52,000</u>	<u>-</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

ALASKA LEGAL SERVICES CORPORATION
 Schedule of Revenue and Expenses - Budget to Actual
 National Family Caregiver Support Program
 Grant 607-09-300
 Six Months Ended December 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues - grant income	\$ <u>57,216</u>	<u>19,122</u>	<u>38,094</u>
Expenses:			
Personal services	43,720	16,064	27,656
Facility expense	6,480	2,327	4,153
Supplies	990	280	710
Equipment	360	263	97
Other expense	<u>5,666</u>	<u>188</u>	<u>5,478</u>
Total expenses	<u>57,216</u>	<u>19,122</u>	<u>38,094</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>

ALASKA LEGAL SERVICES CORPORATION
 Schedule of Revenue and Expenses - Budget to Actual
 State of Alaska EHSTA Grant
 Grant 605-08-015
 Grant Period Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues - grant income	\$ 42,084	42,084	-
Expenses:			
Personal services	32,361	33,977	(1,616)
Travel	3,966	3,665	301
Facility expense	4,284	3,577	707
Supplies	900	293	607
Other expense	573	572	1
Total expenses	<u>42,084</u>	<u>42,084</u>	<u>-</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>

ALASKA LEGAL SERVICES CORPORATION
 Schedule of Revenue and Expenses - Budget to Actual
 State of Alaska EHSTA Grant
 Grant 605-08-016
 Grant Period Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues - grant income	\$ <u>38,783</u>	<u>14,176</u>	<u>24,607</u>
Expenses:			
Personal services	7,463	5,166	2,297
Travel	768	115	653
Facility expense	758	758	-
Supplies	192	191	1
Other expense	<u>29,602</u>	<u>7,946</u>	<u>21,656</u>
Total expenses	<u>38,783</u>	<u>14,176</u>	<u>24,607</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>

ALASKA LEGAL SERVICES CORPORATION
 Schedule of Revenue and Expenses - Budget to Actual
 State of Alaska EHSTA Grant
 Grant 605-08-017
 Grant Period Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues - grant income	\$ <u>30,000</u>	<u>27,779</u>	<u>2,221</u>
Expenses:			
Personal services	27,450	26,142	1,308
Travel	875	537	338
Facility expense	650	698	(48)
Supplies	750	113	637
Other expense	<u>275</u>	<u>289</u>	<u>(14)</u>
Total expenses	<u>30,000</u>	<u>27,779</u>	<u>2,221</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>

ALASKA LEGAL SERVICES CORPORATION
 Schedule of Revenue and Expenses - Budget to Actual
 State of Alaska EHSTA Grant
 Grant 605-08-018
 Grant Period Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues - grant income	\$ <u>58,881</u>	<u>33,065</u>	<u>25,816</u>
Expenses:			
Personal services	42,947	24,100	18,847
Travel	6,136	1,646	4,490
Facility expense	7,925	6,731	1,194
Supplies	1,374	338	1,036
Other expense	<u>499</u>	<u>250</u>	<u>249</u>
Total expenses	<u>58,881</u>	<u>33,065</u>	<u>25,816</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>

ALASKA LEGAL SERVICES CORPORATION
 Schedule of Revenue and Expenses - Budget to Actual
 State of Alaska EHSTA Grant
 Grant 605-09-015
 Six Months Ended December 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues - grant income	\$ <u>79,050</u>	<u>36,034</u>	<u>43,016</u>
Expenses:			
Personal services	75,048	33,413	41,635
Facility expense	2,600	1,791	809
Supplies	500	403	97
Other expense	<u>902</u>	<u>427</u>	<u>475</u>
Total expenses	<u>79,050</u>	<u>36,034</u>	<u>43,016</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>

ALASKA LEGAL SERVICES CORPORATION
 Schedule of Revenue and Expenses - Budget to Actual
 State of Alaska EHSTA Grant
 Grant 605-09-016
 Six Months Ended December 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues - grant income	\$ <u>75,457</u>	<u>22,599</u>	<u>52,858</u>
Expenses:			
Personal services	63,942	17,586	46,356
Facility expense	8,800	2,840	5,960
Supplies	1,800	1,676	124
Other expense	<u>915</u>	<u>497</u>	<u>418</u>
Total expenses	<u>75,457</u>	<u>22,599</u>	<u>52,858</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>

ALASKA LEGAL SERVICES CORPORATION
 Schedule of Revenue and Expenses - Budget to Actual
 State of Alaska EHSTA Grant
 Grant 605-09-017
 Six Months Ended December 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues - grant income	\$ <u>53,889</u>	<u>29,067</u>	<u>24,822</u>
Expenses:			
Personal services	50,288	27,434	22,854
Travel	600	508	92
Facility expense	1,200	716	484
Supplies	1,300	127	1,173
Other expense	<u>501</u>	<u>282</u>	<u>219</u>
Total expenses	<u>53,889</u>	<u>29,067</u>	<u>24,822</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>

ALASKA LEGAL SERVICES CORPORATION
 Schedule of Revenue and Expenses - Budget to Actual
 State of Alaska EHSTA Grant
 Grant 605-09-018
 Six Months Ended December 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues - grant income	\$ <u>108,992</u>	<u>53,961</u>	<u>55,031</u>
Expenses:			
Personal services	96,689	46,143	50,546
Facility expense	10,000	6,514	3,486
Supplies	1,800	801	999
Other expense	<u>503</u>	<u>503</u>	<u>-</u>
Total expenses	<u>108,992</u>	<u>53,961</u>	<u>55,031</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>

ALASKA LEGAL SERVICES CORPORATION
Schedule of Revenue and Expenses - Budget to Actual
Municipality of Anchorage -
Grant HSMG 08-ALS
Grant Period Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance</u>
		<u>Prior Year</u>	<u>Current</u>		
Revenues - grant income	\$ <u>132,791</u>	<u>81,497</u>	<u>51,294</u>	<u>132,791</u>	<u>-</u>
Expenses:					
Salaries	96,500	56,144	40,356	96,500	-
Fringe	26,291	18,487	7,804	26,291	-
Office space	5,200	2,600	2,600	5,200	-
Office supplies	1,800	1,577	223	1,800	-
Telephone	800	800	-	800	-
Equipment Rental & Maintenance	300	182	118	300	-
Professional Liability Insurance	<u>1,900</u>	<u>1,707</u>	<u>193</u>	<u>1,900</u>	<u>-</u>
Total expenses	<u>132,791</u>	<u>81,497</u>	<u>51,294</u>	<u>132,791</u>	<u>-</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

ALASKA LEGAL SERVICES CORPORATION
 Schedule of Revenue and Expenses - Budget to Actual
 United Way of Anchorage -
 Grant HSMG 09-ALS
 Six Months Ended December 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues - grant income	\$ <u>144,678</u>	<u>72,339</u>	<u>72,339</u>
Expenses:			
Salaries	98,300	49,540	48,760
Fringe Benefits	33,200	16,600	16,600
Space Rent	7,700	3,850	3,850
Office Supplies	2,000	610	1,390
Telephone	1,400	700	700
Professional Liability Insurance	<u>2,078</u>	<u>1,039</u>	<u>1,039</u>
Total expenses	<u>144,678</u>	<u>72,339</u>	<u>72,339</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>

ALASKA LEGAL SERVICES CORPORATION
Schedule of Revenue and Expenses - Budget to Actual
Fairbanks North Star Borough -
Grant HSS8AL
Grant Period Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance</u>
		<u>Prior Year</u>	<u>Current</u>		
Revenues - grant income	\$ <u>50,000</u>	<u>25,000</u>	<u>25,000</u>	<u>50,000</u>	<u>-</u>
Expenses:					
Professional services	41,200	20,600	20,600	41,200	-
Facility Expenses	7,400	3,700	3,700	7,400	-
Supplies	200	100	100	200	-
Other Expenses	<u>1,200</u>	<u>600</u>	<u>600</u>	<u>1,200</u>	<u>-</u>
Total	<u>50,000</u>	<u>25,000</u>	<u>25,000</u>	<u>50,000</u>	<u>-</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

ALASKA LEGAL SERVICES CORPORATION
Schedule of Revenue and Expenses - Budget to Actual
Fairbanks North Star Borough -
Grant HSS9LG
Six Months Ended December 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues - Grant Income	\$ <u>50,000</u>	<u>25,000</u>	<u>25,000</u>
Expenses			
Professional Services	39,519	19,760	19,759
Facility Expenses	6,800	3,400	3,400
Supplies	300	150	150
Other Operating Expenses	1,000	500	500
Indirect Costs	<u>2,381</u>	<u>1,190</u>	<u>1,191</u>
Total Expenses	<u>50,000</u>	<u>25,000</u>	<u>25,000</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>

ALASKA LEGAL SERVICES CORPORATION
 Schedule of Revenue and Expenses - Budget to Actual
 Matanuska-Susitna Borough Children at Risk Program
 Grant 20367-5503
 Grant Period Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance</u>
		<u>Prior Year</u>	<u>Current</u>		
Revenues - grant income	\$ <u>30,181</u>	<u>9,171</u>	<u>21,010</u>	<u>30,181</u>	<u>-</u>
Expenses:					
Personal Services	-	9,021	20,795	29,816	(29,816)
Facility Expense	-	150	215	365	(365)
Total expenses	<u>30,181</u>	<u>9,171</u>	<u>21,010</u>	<u>30,181</u>	<u>-</u>
Excess of revenue over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

ALASKA LEGAL SERVICES CORPORATION
Schedule of Revenue and Expenses -
Matanuska-Susitna Borough Children At Risk Program -
Grant 20371-5502
Six Months Ended December 31, 2008

Revenues - grant income	\$ <u>18,236</u>
Expenses:	
Personal services	14,400
Facility expense	3,295
Supplies	148
Equipment	39
Other expense	<u>354</u>
Total expenses	<u>18,236</u>
Excess of revenue over expenses	\$ <u>-</u>

ALASKA LEGAL SERVICES CORPORATION

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2008

<u>Granting Agency/Grant Title</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>CFDA Number</u>	<u>Award Amount</u>	<u>Expen- ditures</u>
Legal Services Corporation:					
FY 07 Basic Field	902000	01/01/07-12/31/07	09.902000	\$ 717,081	63,652
FY 08 Basic Field	902000	01/01/08-12/31/08	09.902000	720,614	674,405
FY 08 Native American	902000	01/01/08-12/31/08	09.902000	525,140	<u>501,133</u>
Total Legal Services Corporation					<u>1,239,190</u>
U.S. Department of Health and Human Services:					
Passed through the State of Alaska Department of					
Health and Social Services - Alaska Commission on Aging:					
Nutrition, Transportation & Support SFY 08 (2)	607-08-101	07/01/07-06/30/08	93.044	112,335	34,117
Nutrition, Transportation & Support SFY 09 (2)	607-09-101	07/01/08-06/30/09	93.044	109,031	54,889
National Family Caregiver Program SFY 08 (2)	607-08-300	07/01/07-06/30/08	93.052	44,200	20,617
National Family Caregiver Program SFY 09 (2)	607-09-300	07/01/08-06/30/09	93.052	44,200	<u>12,614</u>
Total U.S. Department of Health and Human Services					<u>122,237</u>
U.S. Department of Housing and Urban Development:					
Passed through the Municipality of Anchorage -					
Children At-Risk Project	PSV-08-ALSL-1	01/01/08-12/31/09	14.219	120,000	<u>57,952</u>
U.S. Department of Justice:					
Passed through the Alaska Network on					
Domestic Violence and Sexual Assault -					
Professional Service Contract	FY-04-01	07/01/04-12/31/09	16.589	414,086	107,618
Legal Assistance for Victims Grant Program	2006-WL-AX-0055	08/01/06-03/31/09	16.589	250,000	46,340
Total U.S. Department of Justice					<u>153,958</u>
Total Expenditures of Federal Awards				\$	<u>1,573,337</u>

Note (1) Basis of Presentation

The above schedule of expenditures of federal awards includes the federal grant activity of Alaska Legal Services Corporation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note (2) Federal Share of Expenditures

ALASKA LEGAL SERVICES CORPORATION

Schedule of State Financial Assistance

December 31, 2008

<u>Name of Award</u>	<u>Grant #</u>	<u>Grant Award</u>	<u>State Share of Expenditures</u>
Department of Health and Social Services:			
Nutrition, Transportation & Support (2)	607-08-101	\$ 19,824	9,912
Nutrition, Transportation & Support Services (2)	607-09-101	36,344	18,172
National Family Caregiver Support Program (2)	607-08-300	7,800	3,900
National Family Caregiver Support Program (2)	607-09-300	13,016	6,508
* Essential Human Services to Alaska	605-08-015	42,084	42,084
* Essential Human Services to Alaska	605-08-016	38,783	14,176
* Essential Human Services to Alaska	605-08-017	30,000	27,779
* Essential Human Services to Alaska	605-08-018	58,881	33,065
* Essential Human Services to Alaska	605-09-015	79,050	36,034
* Essential Human Services to Alaska	605-09-016	75,457	22,599
* Essential Human Services to Alaska	605-09-017	53,889	29,067
* Essential Human Services to Alaska	605-09-018	108,992	53,961
Passed through the Municipality of Anchorage:			
* Domestic Violence Prevention Project	HSMG 08-ALS	132,791	51,294
* Domestic Violence Prevention Project	HSMG 09-ALS	144,678	72,339
Passed through the Fairbanks North Star Borough:			
* Individual and Family Legal Crisis Project	HSS8AL	50,000	25,000
* Individual and Family Legal Crisis Project	HSS9LG	50,000	25,000
Passed through Matanuska-Susitna Borough:			
Mat-Su Children at Risk	20367-5503	30,181	21,010
Mat-Su Children at Risk	20371-5502	35,000	18,236
Total Department of Health and Social Services			<u>510,136</u>
Department of Administration - Office of Public Advocacy	ALS84199	None	2,294
Department of Commerce Community and Economic Development			
* Program Operations	09-DO-003	200,000	100,000
Alaska Housing Finance Corporation			
Passed through Gastineau Human Services			
Homeless Assistance Program	None	24,600	9,571
Alaska Mental Health Trust Authority			
Beneficiary Self Sufficiency Project	None	50,000	<u>24,903</u>
Total State Financial Assistance		\$	<u><u>646,904</u></u>

* Indicates a state major program

Note (1) Basis of Presentation

The above schedule of expenditures of state awards includes the state grant activity of Alaska Legal Services Corporation and is presented on the accrual basis of accounting. The information in this schedule is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the *State of Alaska Single Audit Guide and Compliance Supplement for State Single Audits*.

Note (2) State portion of expenditures.

SINGLE AUDIT REPORTS

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

Board of Directors
Alaska Legal Services Corporation

We have audited the financial statements of Alaska Legal Services Corporation as of and for the year ended December 31, 2008 and have issued our report thereon dated April 28, 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 Alaska Legal Services Corporation'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 the Alaska Legal Services Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Alaska Legal Services Corporation'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 entity'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 entity's financial statements 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 a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of 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.

Board of Directors
Alaska Legal Services Corporation

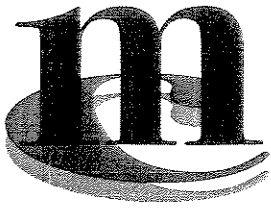
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alaska Legal Services Corporation'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*.

This report is intended solely for the information and use of the board of directors, management, others within the entity, and federal awarding agencies and, if applicable, pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Mikunda, Cottrell & Co.

Anchorage, Alaska
April 28, 2009



Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance With OMB Circular A-133

Board of Directors
Alaska Legal Services Corporation

Compliance

We have audited the compliance of Alaska Legal Service Corporation with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. Alaska Legal Services Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings 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 Alaska Legal Services Corporation's management. Our responsibility is to express an opinion on Alaska Legal Services Corporation'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, 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 Alaska Legal Services Corporation'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 on Alaska Legal Services Corporation's compliance with those requirements.

In our opinion, Alaska Legal Services Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008

Board of Directors
Alaska Legal Services Corporation

Internal Control Over Compliance

The management of Alaska Legal Services Corporation 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 Alaska Legal Services Corporation'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 expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Alaska Legal Services Corporation'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 any 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 the Board of Directors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Mikunda, Cottrell & Co.

Anchorage, Alaska
April 28, 2009

Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance With State of Alaska Audit Guide and Compliance Supplement for State Single Audits

Board of Directors
Alaska Legal Services Corporation

Compliance

We have audited the compliance of Alaska Legal Service Corporation with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State single Audits* that are applicable to each of its major state programs for the year ended December 31, 2008. Alaska Legal Services Corporation's major state programs are identified in the accompanying Schedule of State Financial Assistance. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of Alaska Legal Services Corporation's management. Our responsibility is to express an opinion on Alaska Legal Services Corporation'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 the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* 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 state program occurred. An audit includes examining, on a test basis, evidence about Alaska Legal Services Corporation'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 on Alaska Legal Services Corporation's compliance with those requirements.

In our opinion, Alaska Legal Services Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2008

Board of Directors
Alaska Legal Services Corporation

Internal Control Over Compliance

The management of Alaska Legal Services Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Alaska Legal Services Corporation's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Alaska Legal Services Corporation'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 state 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 state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state 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 state program will not be prevented or detected by any 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 the Board of Directors, management, and the State of Alaska and is not intended to be and should not be used by anyone other than those specified parties.

Mikunda, Cottrell & Co.

Anchorage, Alaska
April 28, 2009

ALASKA LEGAL SERVICES CORPORATION

Summary Schedule of Prior Audit Findings

Year Ended December 31, 2008

There were no prior year audit findings.

ALASKA LEGAL SERVICES CORPORATION

Schedule of Findings and Questioned Costs

Year Ended December 31, 2008

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Type of auditor's report issued on compliance for major programs?

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

yes no

Identification of major programs:

Agency

CFDA Number

Legal Services Corporation –
Basic Field & Native American

09.902000

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

yes no

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

ALASKA LEGAL SERVICES CORPORATION

Schedule of Findings and Questioned Costs, continued

Summary of Auditor's Results, continued

State Financial Assistance, continued

Type of auditor's report issued on compliance for major programs?	Unqualified
Dollar threshold used to distinguish a state major program?	\$50,000

II. Financial Statement Findings

No matters were reported.

III. Federal Award Findings and Questioned Costs

No matters were reported.

IV. State Award Findings and Questioned Costs

No matters were reported.

ALASKA LEGAL SERVICES CORPORATION

Corrective Action Plan

Year Ended December 31, 2008

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There are no current year audit findings, therefore, no corrective action plan is required.