



Alaska Legal Services Corporation

Financial Statements, Supplementary
Information, and Single Audit Reports
Year Ended December 31, 2016

Alaska Legal Services Corporation

Financial Statements, Supplementary Information,
and Single Audit Reports
Year Ended December 31, 2016

Alaska Legal Services Corporation

Contents

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	4
Statement of Activities	5
Statement of Cash Flows	6
Notes to Financial Statements	7-14
Supplementary Information	
Combining Statement of Activities:	
All Sources	16
Federal Sources	17
State Sources	18
Other Sources	19
Schedule of Expenses by Function	20
Schedule of Grant and Contract Revenues by Funding Sources	21-22
Combining Schedule of Private Attorney Involvement (PAI) Expense	23
Schedule of Revenues and Expenses - Budget and Actual - Grants	24-37
Schedule of Expenditures of Federal Awards	38-39
Schedule of State Financial Assistance	40
Single Audit Section	
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 <i>Government Auditing Standards</i>	42-43
Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and Compliance Supplement for Audits of LSC Recipients	44-45
Independent Auditor's Report on Compliance For Each Major State Program and Report on Internal Control Over Compliance Required by the <i>State of Alaska Audit Guide and Compliance Supplement for State Single Audits</i>	46-47
Schedule of Findings and Questioned Costs	48-49



Tel: 907-278-8878

Fax: 907-278-5779

www.bdo.com

3601 C Street, Suite 600

Anchorage, AK 99503

Independent Auditor's Report

Board of Directors
Alaska Legal Services Corporation
Anchorage, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of Alaska Legal Services Corporation, which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alaska Legal Services Corporation as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Alaska Legal Services Corporation's 2015 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated April 26, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, the Schedule of State Financial Assistance, and the other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance are required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, respectively. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Expenditures of Federal Awards, the Schedule of State Financial Assistance, and the other supplementary information listed in the table of contents, are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2017, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alaska Legal Services Corporation's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
April 27, 2017

Financial Statements

Alaska Legal Services Corporation

Statement of Financial Position

December 31,	2016	2015
Assets		
Current Assets		
Cash and cash equivalents:		
Restricted	\$ 238,760	\$ 161,420
Unrestricted	289,846	347,547
Total cash and cash equivalents	528,606	508,967
Cash in trust - clients	35,000	42,959
Grant receivables	654,775	460,836
Other receivables	7,513	5,728
Prepaid expenses	145,278	120,638
Total Current Assets	1,371,172	1,139,128
Investments	687,109	685,923
Equipment, net	48,005	18,555
Other assets	17,739	17,739
Total Assets	\$ 2,124,025	\$ 1,861,345
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 24,034	\$ 22,067
Payroll related liabilities	121,855	110,156
Unearned revenue	223,685	221,213
Client payables	35,000	42,959
Total Current Liabilities	404,574	396,395
Net Assets		
Unrestricted net assets:		
Invested in equipment	48,005	18,555
Board designated	736,156	690,158
Undesignated	696,530	594,817
Temporarily restricted net assets	238,760	161,420
Total Net Assets	1,719,451	1,464,950
Total Liabilities and Net Assets	\$ 2,124,025	\$ 1,861,345

See accompanying notes to financial statements.

Alaska Legal Services Corporation

Statement of Activities

<i>Years Ended December 31,</i>	Unrestricted	Temporarily Restricted	Totals	
			2016	2015
Support and Revenue				
Grants and contracts	\$ 2,894,610	\$ 1,467,716	\$ 4,362,326	\$ 3,790,555
Litigation income	111,642	64,026	175,668	144,773
Investment income (loss)	30,008	187	30,195	(7,123)
Donated services	485,436	-	485,436	864,408
Contributions	159,732	12,000	171,732	180,155
Other	13,667	-	13,667	5,110
Net assets released from restrictions - satisfaction of program restriction	1,466,589	(1,466,589)	-	-
Total Support and Revenue	5,161,684	77,340	5,239,024	4,977,878
Expenses				
Program services	4,350,180	-	4,350,180	4,115,020
Management and general	551,288	-	551,288	534,095
Fund raising	83,055	-	83,055	145,040
Total Expenses	4,984,523	-	4,984,523	4,794,155
Change in Net Assets	177,161	77,340	254,501	183,723
Net Assets, beginning of year	1,303,530	161,420	1,464,950	1,281,227
Net Assets, end of year	\$ 1,480,691	\$ 238,760	\$ 1,719,451	\$ 1,464,950

See accompanying notes to financial statements.

Alaska Legal Services Corporation

Statement of Cash Flows

<i>Years Ended December 31,</i>	2016	2015
Cash Flows from Operating Activities		
Change in net assets	\$ 254,501	\$ 183,723
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	16,107	4,043
Realized (gain) loss on marketable securities	50,903	(58,802)
Unrealized (gain) losses on marketable securities	(74,528)	56,142
(Increase) decrease in current assets:		
Cash in trust - clients	7,959	(42,959)
Grant receivables	(193,939)	(48,015)
Other receivables	(1,785)	82
Prepaid expenses	(24,640)	(16,578)
Other assets	-	140
Increase (decrease) in current liabilities:		
Accounts payable	1,967	6,945
Payroll related liabilities	11,699	12,555
Unearned revenue	2,472	177,130
Client payables	(7,959)	42,959
Net cash from operating activities	42,757	317,365
Cash Flows from Investing Activities		
Acquisition of property and equipment	(45,557)	(17,609)
Purchase of marketable securities	(709,437)	(41,382)
Sale of marketable securities	731,876	35,344
Net cash for investing activities	(23,118)	(23,647)
Net increase in cash and cash equivalents	19,639	293,718
Cash and Cash Equivalents, beginning of year	508,967	215,249
Cash and Cash Equivalents, end of year	\$ 528,606	\$ 508,967

See accompanying notes to financial statements.

Alaska Legal Services Corporation

Notes to Financial Statements

December 31, 2016

1. Summary of Significant Accounting Policies

Organization

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 Accounting Standards Codification (ASC) No. 958, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958, 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.

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.

Cash and Cash Equivalents

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

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.

Alaska Legal Services Corporation

Notes to Financial Statements

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, ALSC 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.

ALSC's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by FASB ASC 820, 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.
- *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.

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.

Equipment and Depreciation

Equipment purchases 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.

Alaska Legal Services Corporation

Notes to Financial Statements

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.

Estimates and Assumptions

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.

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.

Contributions

ALSC accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in ASC No. 958, *Financial Statements of Not-for-Profit Organizations*. In accordance with ASC 958, 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.

Attorney's Fees

Attorney's fees received are recorded during the accounting period in which the money from the fee award is actually received by ALSC and is expended for any purpose permitted by the LSC Act.

Alaska Legal Services Corporation

Notes to Financial Statements

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.

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.

ALSC applies the provisions of Topic 740 of the FASB Accounting Standards Codification relating to accounting for uncertainty in income taxes and annually reviews its tax positions taken in accordance with the recognition standards. ALSC believes that it has no uncertain tax positions which would require disclosure or adjustment in these financial statements.

Summary Financial Information for 2015

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, 2015, from which the summarized information was derived.

Subsequent Events

ALSC has evaluated subsequent events through April 27, 2017, the date on which the financial statements were available to be issued.

The remainder of this page intentionally left blank.

Alaska Legal Services Corporation

Notes to Financial Statements

2. Cash and Cash Equivalents

The book and bank amounts at December 31, 2016, were \$528,606 and \$681,128, respectively. ALSC maintains cash balances at four financial institutions. Accounts are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Bank balance in excess of FDIC insurable limits was \$1,023 as of December 31, 2016.

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 \$35,000 at December 31, 2016, are restricted. All funds are insured by FDIC as of December 31, 2016.

4. Investments

Investments are recorded at fair value and consist of the following at December 31, 2016:

	Cost	Fair Value	Unrealized Gain
Long-term - mutual funds	\$ 628,447	\$ 687,109	\$ 58,662

Investment income of \$30,195 includes \$74,528 of unrealized gains for the year ended December 31, 2016.

5. Fair Value Measurements

The following table provides information as of December 31, 2016 about ALSC's financial assets and liabilities measured at fair value on a recurring basis.

	Level 1	Level 2	Level 3	Total
Assets at fair value - mutual funds	\$ 687,109	\$ -	\$ -	\$ 687,109

Given the narrow definition of Level 1 and ALSC's investment asset strategy, all of ALSC's investment assets are classified in Level 1. These assets in Level 1 primarily include actively-traded institutional and retail mutual fund investments valued by the respective mutual fund companies.

Alaska Legal Services Corporation

Notes to Financial Statements

6. Equipment

The following is a summary of changes to equipment for the year ended December 31, 2016:

	January 1, 2016	Additions	Deletions	December 31, 2016
Equipment	\$ 239,038	\$ 45,557	\$ (40,204)	\$ 244,391
Accumulated depreciation	(220,483)	(16,107)	40,204	(196,386)
Equipment, net	\$ 18,555	\$ 29,450	\$ -	\$ 48,005

Depreciation expense for the year ended December 31, 2016 was \$16,107.

7. Donated Property and Services

Donated property and services represent the value of property, rent 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 property and services of \$450,201 in 2016 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 they are reported by the volunteer and consist primarily of private attorney donated time.

8. Management and Fund Raising Costs

ALSC management costs were \$551,288, and its fund raising costs were \$83,055 in 2016. Management costs include overall direction, accounting, budgeting, general board activities and related items.

9. Pension Plan

ALSC employees may elect to contribute up to the lesser of \$16,500 or 20% of their annual compensation to a 403(b)(7) defined contribution plan. Contributions are deposited at the discretion of the employee. ALSC matches these employee contributions with the lesser of 50% of employee contributions or 100% of compensation received in plan year, in addition to a fixed amount based on years of service. ALSC's contribution to the plan was \$72,586 in 2016.

10. Private Attorney Involvement

ALSC expended funds supporting the Private Attorney Involvement (PAI) program totaling \$95,168 which represents 12.8% of the Legal Services Corporation - Basic Field Grant amount during 2016. The required level of PAI under the grant is 12.5%.

The portion funded by Alaska Bar Foundation was \$22,500 in 2016.

Alaska Legal Services Corporation

Notes to Financial Statements

11. Legal Services Corporation (LSC) 10% Limit

At December 31, 2016, funds contributed by LSC had net asset balances of \$181,863. This represents 14% 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. The Corporation has 30 days after audit submission to apply for the waiver.

12. Net Assets Released from Restrictions

For the year ended December 31, 2016, net assets were released from donor restrictions when expenses were incurred to satisfy the restricted purposes as follows:

Legal Services Corporation	\$ 1,431,576
Other contributions with location or purpose restrictions	35,013
Total Net Assets Released from Restrictions	\$ 1,466,589

13. Restrictions on Net Assets

At December 31, 2016, ALSC had temporarily restricted net assets which were received from the following sources:

Legal Services Corporation	\$ 181,863
Other contributions with location or purpose restriction	56,897
Total Temporarily Restricted Net Assets	\$ 238,760

14. Board Designated Net Assets

Board designated net assets at December 31, 2016 were \$736,156. 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 at 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.

The remainder of this page intentionally left blank.

Alaska Legal Services Corporation

Notes to Financial Statements

15. 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 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, 2016:

December 31,	
2017	233,430
2018	223,570
2019	185,059
2020	184,253
	<hr/>
	\$ 826,312

Total rent expense on non-cancelable leases for office space and equipment was \$244,292 for the year ended December 31, 2016.

At December 31, 2016, \$27,000 of cash and equipment have been pledged to secure notary bonds.

16. Related Party Transaction

There were no significant related party transactions during 2016.

17. Upcoming Accounting Pronouncements

Accounting Standards Update (ASU) 2016-14 addresses the presentation of financial statements of not-for-profit entities. The change is intended to provide more useful information to donors, grantors and other users. The ASU addresses the following key qualitative and quantitative matters: net asset classes, investment return, expenses, liquidity, and availability of resources and presentation of operating cash flows. The amendments in ASU 2016-14 are effective for the fiscal year beginning December 31, 2017, with early adoption permitted.

Accounting Standards Update (ASU) 2016-18 address the presentation of restricted cash and cash equivalents to be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total cash amounts shown on the statement of cash flows. Consequently, transfers between cash and restricted cash will not be presented as a separate line item in the operating, investing or financing sections of the cash flow statement. The amendments are effective for the fiscal years beginning December 31, 2018, with early adoption permitted.

Supplementary Information

Alaska Legal Services Corporation

Combining Statement of Activities Program Funds - All Sources

<i>Year Ended December 31, 2016</i>	Federal	State	Other	Total
Support and Revenue				
Grants and contracts	\$ 2,464,240	\$ 987,781	\$ 910,305	\$ 4,362,326
Litigation income	107,011	43,103	25,554	175,668
Investment income	243	90	29,862	30,195
Donated services	-	-	485,436	485,436
Contributions	-	-	171,732	171,732
Other	-	-	13,667	13,667
Total Support and Revenue	2,571,494	1,030,974	1,636,556	5,239,024
Expenses				
Salaries	1,394,462	603,770	635,762	2,633,994
Fringe	506,409	218,088	232,993	957,490
Travel	80,217	29,298	27,293	136,808
Office expense	225,121	98,139	107,427	430,687
Supplies	21,038	7,271	9,210	37,519
Minor equipment	13,974	2,374	6,291	22,639
Other	177,252	14,494	557,533	749,279
Administrative costs	35,914	-	(35,914)	-
Depreciation and amortization	-	-	16,107	16,107
Total Expenses	2,454,387	973,434	1,556,702	4,984,523
Change in Net Assets	117,107	57,540	79,854	254,501
Transfers from (to) other funds	(5,111)	(25,000)	30,111	-
Net Assets, beginning of year	122,522	95,141	1,247,287	1,464,950
Net Assets, end of year	\$ 234,518	\$ 127,681	\$ 1,357,252	\$ 1,719,451

Alaska Legal Services Corporation
Combining Statement of Activities
Federal Sources

	Legal Services Corporation					Department of Interior	Department of Health and Human Services	Department of Justice			Department of Housing and Urban Development	Corporation for Community and National Service	Total		
	Basic Field Grant	Native American	Pro Bono Innovation Fund	Technology Initiative Grant	Total	Native Allotment Contracts	Nutrition, Transportation, & Support Grants	National Family Caregiver Grant	NARF Civil Legal Grant Fund	Office on Violence Against Women Legal Assistance for Victims	Alaska Immigration Project Victims of Crime Cooperative	Municipality of Anchorage Fair Housing Grant	AmeriCorps Indian Tribes Planning Grant	All Federal Sources	
<i>Year Ended December 31, 2016</i>															
Support and Revenue															
Grants and contracts	\$ 741,073	\$ 556,121	\$ 75,102	\$ 95,420	\$ 1,467,716	\$ 14,776	\$ 85,226	\$ 22,036	\$ 23,810	\$ 193,765	\$ 159,745	\$ 376,212	\$ 101,578	\$ 19,376	\$ 2,464,240
Litigation income	8,738	55,288	-	-	64,026	-	652	-	11,558	-	-	5,000	25,775	-	107,011
Investment income	32	146	6	3	187	5	-	5	4	-	-	16	26	-	243
Total Support and Revenue	749,843	611,555	75,108	95,423	1,531,929	14,781	85,878	22,041	35,372	193,765	159,745	381,228	127,379	19,376	2,571,494
Expenses															
Salaries	407,430	310,472	48,090	39,990	805,982	3,786	56,897	21,866	18,050	108,458	100,026	189,788	85,421	4,188	1,394,462
Fringe	144,246	102,591	22,294	13,625	282,756	1,224	19,866	6,476	3,364	38,125	37,344	82,964	19,535	14,755	506,409
Travel	22,622	19,429	3,560	2,200	47,811	3,814	-	219	2,396	8,464	2,185	14,895	-	433	80,217
Office expense	97,472	45,222	617	5,878	149,189	537	5,458	2,900	-	11,399	16,463	26,208	12,967	-	225,121
Supplies	7,253	3,988	52	718	12,011	25	697	272	-	1,170	1,114	5,070	679	-	21,038
Minor equipment	10,065	2,146	-	-	12,211	15	328	135	-	-	396	500	389	-	13,974
Administrative costs	-	-	-	-	-	1,445	-	-	-	-	-	34,469	-	-	35,914
Other	63,973	24,136	495	33,012	121,616	78	1,981	867	-	26,149	2,217	22,336	2,008	-	177,252
Total Expenses	753,061	507,984	75,108	95,423	1,431,576	10,924	85,227	32,735	23,810	193,765	159,745	376,230	120,999	19,376	2,454,387
Change in Net Assets	(3,218)	103,571	-	-	100,353	3,857	651	(10,694)	11,562	-	-	4,998	6,380	-	117,107
Transfers (to) from other funds	-	-	-	-	-	(5,111)	-	-	-	-	-	-	-	-	(5,111)
Net Assets, beginning of year	14,623	66,887	-	-	81,510	4,841	-	13,498	-	-	-	-	22,673	-	122,522
Net Assets, end of year	\$ 11,405	\$ 170,458	\$ -	\$ -	\$ 181,863	\$ 3,587	\$ 651	\$ 2,804	\$ 11,562	\$ -	\$ -	\$ 4,998	\$ 29,053	\$ -	\$ 234,518

Alaska Legal Services Corporation

Combining Statement of Activities

State Sources

	Department of Health and Social Services							Department of Commerce, Community and Economic Development		Alaska Housing Finance Corporation	Alaska Mental Health Trust Authority		Total
	Municipality of Anchorage	Fairbanks North Star Borough Individual and Family Crisis Project	Matanuska-Susitna Borough Grants	Nutrition, Transportation, & Support Grants	National Family Caregiver Grants	Community Initiative Grants	Mental Health Essential Program Equipment Grant	Civil Legal Services	Program Operations	Housing Assistance Program	Disability Justice Holstice Defense	Housing Legal Resources	All State Sources
Support and Revenue													
Grants and contracts	\$ 30,782	\$ 40,006	\$ 17,500	\$ 47,503	\$ 10,823	\$ 186,776	\$ 25,000	\$ -	\$ 431,102	\$ -	\$ 98,017	\$ 100,272	\$ 987,781
Litigation income	2,931	-	-	364	-	-	-	28	26,717	5,154	-	7,909	43,103
Investment income	1	-	-	-	2	3	-	7	65	2	3	7	90
Total Support and Revenue	33,714	40,006	17,500	47,867	10,825	186,779	25,000	35	457,884	5,156	98,020	108,188	1,030,974
Expenses													
Salaries	22,501	22,649	12,608	31,712	10,740	142,976	-	-	247,901	-	63,089	49,594	603,770
Fringe	8,281	10,010	4,892	11,073	3,181	48,890	-	-	92,824	-	22,331	16,606	218,088
Travel	-	-	-	-	108	-	-	-	31	-	4,679	24,480	29,298
Office expense	-	6,000	-	3,042	1,424	-	-	-	76,567	-	6,133	4,973	98,139
Supplies	-	402	-	388	134	-	-	-	5,332	-	627	388	7,271
Minor equipment	-	12	-	183	66	-	-	-	1,792	-	190	131	2,374
Other	-	933	-	1,104	296	-	-	-	7,086	-	971	4,104	14,494
Total Expenses	30,782	40,006	17,500	47,502	15,949	191,866	-	-	431,533	-	98,020	100,276	973,434
Change in Net Assets	2,932	-	-	365	(5,124)	(5,087)	25,000	35	26,351	5,156	-	7,912	57,540
Transfers from other funds	-	-	-	-	-	-	(25,000)	-	-	-	-	-	(25,000)
Net Assets, beginning of year	-	-	-	-	5,124	5,087	-	9,368	74,897	665	-	-	95,141
Net Assets, end of year	\$ 2,932	\$ -	\$ -	\$ 365	\$ -	\$ -	\$ -	\$ 9,403	\$ 101,248	\$ 5,821	\$ -	\$ 7,912	\$ 127,681

Alaska Legal Services Corporation

Combining Statement of Activities

Other Sources

Year Ended December 31, 2016	Ketchikan		North Slope Borough	Matanuska-	Alaska Bar Foundation	Bristol Bay Native Association	Assoc. of Village Council Presidents	Juneau Community Foundation	Tanana Chiefs Conference	Maniilaq Association	Partners in Justice Campaign		Total Other Sources
	City of Ketchikan	Gateway Borough		Susitna Borough Grants							Other		
Support and Revenue													
Grants and contracts	\$ 18,500	\$ 13,720	\$ 131,323	\$ 7,500	\$ 22,500	\$ 154,000	\$ 205,000	\$ 95,883	\$ 74,538	\$ 78,465	\$ -	\$ 108,876	\$ 910,305
Litigation income	-	-	-	-	-	-	-	-	750	-	-	24,804	25,554
Investment income	-	-	147	-	-	20	-	39	-	-	29,481	175	29,862
Donated services	-	-	-	-	-	-	-	-	-	-	-	485,436	485,436
Contributions	-	-	-	-	-	-	-	-	-	-	153,369	18,363	171,732
Other	-	-	-	-	-	-	-	-	-	-	6,003	7,664	13,667
Total Support and Revenue	18,500	13,720	131,470	7,500	22,500	154,020	205,000	95,922	75,288	78,465	188,853	645,318	1,636,556
Expenses													
Salaries	10,385	8,612	44,519	5,403	19,171	64,629	98,900	27,002	40,762	52,597	8,112	255,670	635,762
Fringe	4,479	3,257	12,782	2,097	3,269	23,246	37,376	3,254	13,918	17,991	2,628	108,696	232,993
Travel	322	-	3,524	-	-	3,372	-	-	2,004	425	16	17,630	27,293
Office expense	2,819	1,432	11,696	-	-	2,140	9,409	2,618	9,462	1,097	2,245	64,509	107,427
Supplies	197	281	427	-	28	498	474	422	447	456	66	5,914	9,210
Minor equipment	149	-	259	-	-	194	332	52	188	25	2,110	2,982	6,291
Other	149	138	1,170	-	32	1,331	3,127	40,362	2,204	1,609	8,493	498,918	557,533
Administrative costs	-	-	9,553	-	-	13,697	17,390	3,638	9,460	5,183	3,255	(98,090)	(35,914)
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	16,107	16,107
Total Expenses	18,500	13,720	83,930	7,500	22,500	109,107	167,008	77,348	78,445	79,383	26,925	872,336	1,556,702
Change in Net Assets	-	-	47,540	-	-	44,913	37,992	18,574	(3,157)	(918)	161,928	(227,018)	79,854
Transfers to (from) other funds	-	-	-	-	-	(95,340)	-	-	(3)	-	(178,983)	304,437	30,111
Net Assets, beginning of year	-	-	218,583	-	-	50,427	-	-	3,160	918	753,213	220,986	1,247,287
Net Assets, end of year	\$ -	\$ -	\$ 266,123	\$ -	\$ -	\$ -	\$ 37,992	\$ 18,574	\$ -	\$ -	\$ 736,158	\$ 298,405	\$ 1,357,252

Alaska Legal Services Corporation

Schedule of Expenses by Function

<i>Year Ended December 31, 2016</i>	Program Services	Management and General	Fund Raising	Total
Salaries				
Lawyers	\$ 1,731,520	\$ 62,991	\$ 11,946	\$ 1,806,457
Paralegals	233,299	-	-	233,299
Donated	10,384	-	-	10,384
Other	313,132	246,961	23,761	583,854
Total salaries	2,288,335	309,952	35,707	2,633,994
Fringe	828,403	116,390	12,697	957,490
Total personnel expenses	3,116,738	426,342	48,404	3,591,484
Travel	118,451	12,708	5,649	136,808
Office expense				
Office rent	298,713	37,435	4,918	341,066
Donated office rent	24,851	-	-	24,851
Telephone	50,541	2,548	287	53,376
Postage	9,117	1,130	1,147	11,394
Total office expense	383,222	41,113	6,352	430,687
Supplies	32,630	4,576	313	37,519
Minor equipment	18,670	1,734	2,235	22,639
Other				
Copying and printing	11,544	-	3,451	14,995
Training	1,335	460	1,190	2,985
Library	11,634	1,169	65	12,868
Insurance	28,127	3,445	240	31,812
Dues and fees	2,965	45	-	3,010
Audit	-	35,000	-	35,000
Litigation	44,787	200	290	45,277
Contract services	98,776	12,910	1,825	113,511
Donated property & services	450,201	-	-	450,201
Administrative costs	-	(10,147)	10,147	-
Other	31,100	5,626	2,894	39,620
Total other	680,469	48,708	20,102	749,279
Depreciation and amortization	-	16,107	-	16,107
Total Expenses	\$ 4,350,180	\$ 551,288	\$ 83,055	\$ 4,984,523

Alaska Legal Services Corporation
Schedule of Grant and Contract Revenues by Funding Sources
Year Ended December 31, 2016

Grantor	Period	Amount of Award	Revenue Recognized in FY 2016	Support	
				Expended During 2016	Unexpended Total December 31, 2016
<u>Legal Services Corporation</u>					
Basic Field	01/01/15-12/31/15	\$ 659,864	\$ -	\$ 14,623	\$ -
Basic Field	01/01/16-12/31/16	741,073	741,073	729,668	11,405 (1)
Native American	01/01/15-12/31/15	542,139	-	66,887	-
Native American	01/01/16-12/31/16	556,121	556,121	385,663	170,458 (1)
Technology Initiative	10/01/15-09/30/17	104,629	95,420	95,420	9,209 (2)
Pro Bono Innovation Fund	10/01/15-09/30/17	187,566	75,102	75,102	100,536 (2)
<u>State of Alaska - Dept of Health and Social Services</u>					
607-309-1601	07/01/15-06/30/16	144,859	48,529	48,529	-
607-307-1601	07/01/15-06/30/16	53,715	16,256	16,256	-
607-309-1701	07/01/16-06/30/17	149,979	84,200	84,200	65,779 (2)
607-307-1701	07/01/16-06/30/17	50,137	16,603	16,603	33,534 (2)
605-230-1613	07/01/15-06/30/16	250,000	125,000	125,000	-
605-230-1711	07/01/16-06/30/17	50,000	25,000	25,000	25,000 (2)
605-230-1713	07/01/16-06/30/17	30,000	15,000	15,000	15,000 (2)
605-230-1715	07/01/16-06/30/17	40,000	7,376	7,376	32,624 (2)
605-230-1712	07/01/16-06/30/17	28,794	14,400	14,400	14,394 (2)
C05-538-1520	07/01/14-12/30/16	25,000	25,000	25,000	-
<u>State of Alaska-Dept of Commerce, Community, and Economic Development</u>					
16-DO-001	07/01/15-06/30/16	450,000	206,102	206,102	-
17-DO-001	07/01/16-06/30/17	450,000	225,000	225,000	225,000 (2)
<u>Native American Rights Fund</u>					
Tribal Civil Legal Assistance	10/01/13-09/30/17	16,092	390	390	-
Tribal Criminal Legal Assistance	10/01/13-09/30/17	23,060	7,004	7,004	-
Tribal Civil Legal Assistance	10/01/15-09/30/17	22,749	14,740	14,740	8,009 (2)
Tribal Criminal Legal Assistance	10/01/15-09/30/17	10,000	1,676	1,676	8,324 (2)
<u>Department of Justice</u>					
2015-WL-AX-0032	10/01/15-09/30/18	600,000	105,832	105,832	494,168 (2)
2015-WR-AX-0015	10/01/15-09/30/18	550,000	87,933	87,933	462,067 (2)
2012-VF-GX-K023	11/01/12-01/31/18	486,267	159,745	159,745	72,313 (2)
<u>Housing & Urban Development</u>					
FH800G14002	01/01/15-12/31/15	250,001	769	769	18,707 (1)
FH800G15007	01/01/16-12/31/16	325,000	304,826	304,826	20,174 (2)
FH800G14040	01/01/16-6/30/17	125,000	46,251	46,251	78,749 (2)
<u>Northwest Fair Housing Alliance</u>					
FH800G15016	01/01/16-6/30/17	43,855	24,366	24,368	19,487 (2)
<u>Association of Village Council Presidents</u>					
BET-2016	01/01/16-12/31/16	82,000	82,000	82,000	-
ANC-2015	07/01/15-06/30/16	82,000	41,000	41,000	-
ANC-2016	07/01/16-06/30/17	82,000	82,000	44,008	- (3)
<u>Bristol Bay Native Association</u>					
Contract for Professional Services	01/01/16-12/31/16	77,000	77,000	77,000	-
Estate Services Contract	01/01/15-12/31/16	154,000	77,000	77,000	-
Native Allotment Services Contract	12/31/15-05/31/16	23,750	14,776	14,776	8,974 (2)
<u>Matanuska-Susitna Borough</u>					
20391-5504	07/01/16-06/30/17	50,000	25,000	25,000	25,000 (2)
<u>Municipality of Anchorage</u>					
HSCMG-16	07/01/15-06/30/16	61,567	30,782	30,782	-
PSV-13-ALS-01	07/01/14-03/31/16	86,984	26,217	26,217	-
PSV-16-ALS-01	04/01/16-03/31/17	75,361	75,361	75,361	-
<u>Fairbanks North Star Borough</u>					
HSSH6A	07/01/15-06/30/16	50,000	25,000	25,000	-
HSSH7A	07/01/16-06/30/17	30,000	15,006	15,006	14,994 (2)

Alaska Legal Services Corporation

Schedule of Grant and Contract Revenues by Funding Sources, continued

Grantor	Period	Amount of Award	Revenue Recognized in FY 2016	Support		Unexpended Total December 31, 2016
				Expended During 2016	Unexpended	
<u>Corporation for Community and National Service</u>						
AmeriCorps Indian Tribes Planning	09/01/15-08/31/16	\$ 16,592	\$ 6,336	\$ 6,336	\$	-
AmeriCorps MLP Fellowships	11/01/16-10/31/17	68,768	5,731	5,731		63,037 (2)
<u>City of Ketchikan</u>						
2016 Agreement	01/01/16-12/31/16	18,500	18,500	18,500		-
<u>Ketchikan Gateway Borough</u>						
SFY 2017	07/01/16-06/30/17	13,720	13,720	13,720		-
<u>Alaska Bar Foundation</u>						
Fiscal Year 2016	07/01/15-06/30/16	22,500	11,250	11,250		-
Fiscal Year 2017	07/01/16-06/30/17	22,500	11,250	11,250		11,250 (2)
<u>Alaska Mental Health Trust Authority</u>						
Housing: Legal Resources for Trust Beneficiaries	07/01/15-06/30/16	50,000	25,272	25,272		-
Housing: Legal Resources for Trust Beneficiaries	07/01/16-06/30/17	50,000	50,000	50,000		-
ALSC Housing Training Project	07/01/16-06/30/17	25,000	25,000	25,000		-
Disability Justice: Holistic Defense Model	08/25/15-08/31/16	67,500	54,390	54,390		-
Disability Justice: Holistic Defense Model	07/01/16-06/30/17	90,000	43,627	43,627		46,373 (2)
<u>United Way of Mat-su</u>						
United Way Community Impact Funding	07/01/14-06/30/16	5,000	1,250	1,250		-
United Way Community Impact Funding	07/01/16-06/30/18	18,900	4,725	4,725		14,175 (2)
<u>North Slope Borough</u>						
2016-021	07/01/15-06/30/16	127,393	8,163	8,163		-
2017-016	07/01/16-06/30/17	127,393	123,160	123,160		4,233 (2)
<u>City and Borough of Juneau</u>						
Equitable Access to Civil Justice	05/01/16-06/30/17	28,400	18,463	18,463		9,937 (1)
<u>Maniilaq Association</u>						
Contract for Professional Services	10/01/14-09/30/17	231,000	78,465	78,465		62,932 (2)
<u>Tanana Chiefs Conference</u>						
Contract for Professional Services	10/01/15-09/30/16	82,000	74,538	74,538		-
<u>Native Village of Kotzebue</u>						
Contract for ICWA Professional Services	01/01/16-12/31/16	14,000	7,363	7,363		6,637 (2)
<u>Kawerak, Inc.</u>						
Contract for Professional Services	11/01/15-12/31/16	4,500	4,500	4,500		-
<u>Rasmuson Foundation</u>						
Tier 1- Equipment	None	25,000	25,000	25,000		-
<u>Juneau Community Foundation</u>						
Hope Endowment-Domestic Violence Partnership	04/15/15-06/30/16	20,000	13,533	11,602		1,931 (1)
Hope Endowment-Medical Legal Partnership	04/15/15-06/30/16	83,270	67,387	50,773		16,614 (3)
Hope Endowment-Equitable Access to Justice	05/01/16-06/30/17	41,600	14,963	14,963		26,637 (1)
<u>Equal Justice Works</u>						
Civil Legal Aid Fellowship	09/01/15-08/31/17	82,000	38,105	38,105		27,118 (2)
Equal Justice Works-AmeriCorps Elder Justice	09/26/16-09/26/17	25,060	7,309	7,309		17,751 (2)
<u>Wells Fargo</u>						
Service Member & Veteran Civil Legal Aid Capacity Building Project	None	30,000	9,470	9,470		961 (1)
			<u>\$4,362,326</u>	<u>\$ 4,205,438</u>	<u>\$</u>	<u>2,243,491</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, 2016.
- (2) These amounts represent the unexpended grant amount available and not receivables or grant advances.
- (3) These amounts represent the unexpended grant amount available and grant advances.

Alaska Legal Services Corporation

Combining Schedule of Private Attorney Involvement (PAI) Expense

Sources	IOLTA 16	IOLTA 17	LSC Basic Field	LSC Native American	Other Funds	Subtotal	Donated Services	Total
Revenue	\$ 11,250	\$ 11,250	\$ 70,457	\$ 248	\$ 1,963	\$ 95,168	\$ 450,201	\$545,369
Expenses								
Salaries	10,613	8,558	33,848	162	-	53,181	-	53,181
Employee benefits	637	2,632	14,502	56	-	17,827	-	17,827
Office and premises	-	-	8,303	27	290	8,619	-	8,619
Travel	-	-	4,686	-	383	5,069	-	5,069
Supplies	-	28	1,770	1	408	2,208	-	2,208
Equipment and furniture	-	-	440	1	-	441	-	441
Other	-	32	6,908	1	882	7,823	450,201	458,024
Total expense	11,250	11,250	70,457	248	1,963	95,168	450,201	545,369
Excess of Revenue Over Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Alaska Legal Services Corporation
Schedule of Revenue and Expenses - Budget and Actual
Nutrition, Transportation, & Support Services
Grant 607-309-1601

<i>For the Grant Period Ended June 30, 2016</i>	Budget	Prior Year	Actual		Variance with Budget
			Current	Total	
Revenue:					
Federal sources	\$ 91,868	\$ 61,092	\$ 30,776	\$ 91,868	\$ -
State sources	52,991	35,238	17,753	52,991	-
Total revenue	144,859	96,330	48,529	144,859	-
Expenses:					
Personal services	128,477	80,864	47,078	127,942	535
Facility expense	11,748	12,283	-	12,283	(535)
Supplies	1,371	956	415	1,371	-
Equipment	400	282	118	400	-
Other expense	2,863	1,945	918	2,863	-
Total expenses	144,859	96,330	48,529	144,859	-
Excess of Revenue Over Expenses	\$ -	\$ -	\$ -	\$ -	\$ -

Alaska Legal Services Corporation
Schedule of Revenue and Expenses - Budget and Actual
Nutrition, Transportation & Support Services
Grant 607-309-1701

<i>Six Months Ended December 31, 2016</i>	Budget	Actual	Variance with Budget
Revenue:			
Federal sources	\$ 96,988	\$ 54,450	\$ (42,538)
State sources	52,991	29,750	(23,241)
Total revenue	149,979	84,200	(65,779)
Expenses:			
Personal services	127,691	72,470	55,221
Facility expense	16,251	8,500	7,751
Supplies	2,170	1,192	978
Equipment	600	393	207
Other expense	3,267	1,645	1,622
Total expenses	149,979	84,200	65,779
Excess of Revenue Over Expenses	\$ -	\$ -	\$ -

Alaska Legal Services Corporation
Schedule of Revenue and Expenses - Budget and Actual
National Family Caregiver Support Program
Grant 607-307-1601

<i>For the Grant Period Ended June 30, 2016</i>	Budget	Actual Prior Year	Actual Current	Total	Variance with Budget
Revenue:					
Federal sources	\$ 38,773	\$ 26,970	\$ 9,683	\$ 36,653	\$ 2,120
State sources	14,942	10,489	6,573	17,062	(2,120)
Total revenue	53,715	37,459	16,256	53,715	-
Expenses:					
Personal services	46,091	33,162	12,929	46,091	-
Facility expense	6,274	3,537	2,737	6,274	-
Supplies	600	331	269	600	-
Equipment	300	111	189	300	-
Other expense	450	318	132	450	-
Total expenses	53,715	37,459	16,256	53,715	-
Excess of Revenue Over Expenses	\$ -	\$ -	\$ -	\$ -	\$ -

Alaska Legal Services Corporation
Schedule of Revenue and Expenses - Budget and Actual
National Family Caregiver Support Program
Grant 607-307-1701

<i>Six Months Ended December 31, 2016</i>	Budget	Actual	Variance with Budget
Revenue:			
Federal sources	\$ 37,302	\$ 12,353	\$ (24,949)
State sources	12,835	4,250	(8,585)
Total Revenue	50,137	16,603	(33,534)
Expenses:			
Personal services	42,737	14,847	27,890
Travel	400	-	400
Facility expense	6,000	1,369	4,631
Supplies	400	202	198
Equipment	200	42	158
Other expense	400	143	257
Total Expenses	50,137	16,603	33,534
Excess of Revenue Over Expenses	\$ -	\$ -	\$ -

Alaska Legal Services Corporation
Schedule of Revenue and Expenses - Budget and Actual
State of Alaska CIG Grant
Grant 605-230-1613

<i>For the Grant Period Ended June 30, 2016</i>	Budget	Actual Prior Year	Actual Current	Actual Total	Variance with Budget
Revenues - state sources	\$ 250,000	\$ 125,000	\$ 125,000	\$ 250,000	\$ -
Expenses - personal services	250,000	125,000	125,000	250,000	-
Excess of Revenue Over Expenses	\$ -	\$ -	\$ -	\$ -	\$ -

Alaska Legal Services Corporation
Schedule of Revenue and Expenses - Budget and Actual
State of Alaska CIG Grant
Bethel Region
Grant 605-230-1711

<i>Six Months Ended December 31, 2016</i>	Budget	Actual	Variance with Budget
Revenues - state sources	\$ 50,000	\$ 25,000	\$ (25,000)
Expenses - personal services	50,000	25,000	25,000
Excess of Revenue Over Expenses	\$ -	\$ -	\$ -

Alaska Legal Services Corporation
Schedule of Revenue and Expenses - Budget and Actual
State of Alaska CIG Grant
Kenai Region
Grant 605-230-1713

<i>Six Months Ended December 31, 2016</i>	Budget	Actual	Variance with Budget
Revenues - state sources	\$ 30,000	\$ 15,000	\$ (15,000)
Expenses - personal services	30,000	15,000	15,000
Excess of Revenue Over Expenses	\$ -	\$ -	\$ -

Alaska Legal Services Corporation
Schedule of Revenue and Expenses - Budget and Actual
State of Alaska CIG Grant
Bristol Bay Region
Grant 605-230-1715

<i>Six Months Ended December 31, 2016</i>	Budget	Actual	Variance with Budget
Revenues - state sources	\$ 40,000	\$ 7,376	\$ (32,624)
Expenses - personal services	40,000	7,376	32,624
Excess of Revenue Over Expenses	\$ -	\$ -	\$ -

Alaska Legal Services Corporation
Schedule of Revenue and Expenses - Budget and Actual
State of Alaska CIG Grant
Southeast Region
Grant 605-230-1712

<i>Six Months Ended December 31, 2016</i>	Budget	Actual	Variance with Budget
Revenues - state sources	\$ 28,794	\$ 14,400	\$ (14,394)
Expenses - personal services	28,794	14,400	14,394
Excess of Revenue Over Expenses	\$ -	\$ -	\$ -

Alaska Legal Services Corporation
Schedule of Revenue and Expenses - Budget and Actual
State of Alaska
Mental Health Essential Program Equipment
Grant C05-538-1520

<i>Six Months Ended December 31, 2016</i>	Budget	Actual	Variance with Budget
Revenues - state sources	\$ 25,000	\$ 25,000	\$ -
Expenses - personal services	25,000	25,000	-
Excess of Revenue Over Expenses	\$ -	\$ -	\$ -

Alaska Legal Services Corporation
Schedule of Revenue and Expenses - Budget and Actual
Municipality of Anchorage
Families at Risk Program
HSCMG16

<i>For the Grant Period Ended December 31, 2016</i>	Budget	Prior Year	Actual Current	Total	Variance with Budget
Revenues - state sources	\$ 61,567	\$ 30,785	\$ 30,782	\$ 61,567	\$ -
Expenses - personal services	61,567	30,785	30,782	61,567	-
Excess of Revenue Over Expenses	\$ -	\$ -	\$ -	\$ -	\$ -

Alaska Legal Services Corporation
Schedule of Revenue and Expenses - Budget and Actual
Fairbanks North Star Borough -
Individual and Family Legal Crisis Project
Grant HSSH6A

<i>For the Grant Period Ended June 30, 2016</i>	Budget	Actual	Actual	Total	Variance
		Prior Year	Current		with Budget
Revenues - state sources	\$ 50,000	\$ 25,000	\$ 25,000	\$ 50,000	\$ -
Expenses:					
Professional services	40,780	20,380	20,424	40,804	(24)
Facility expenses	7,500	3,750	3,750	7,500	-
Supplies	500	248	252	500	-
Equipment	20	20	-	20	-
Other expenses	1,200	602	574	1,176	24
Total expenses	50,000	25,000	25,000	50,000	-
Excess of Revenue Over Expenses	\$ -	\$ -	\$ -	\$ -	\$ -

Alaska Legal Services Corporation
Schedule of Revenue and Expenses - Budget and Actual
Fairbanks North Star Borough -
Individual and Family Legal Crisis Project
Grant HSSH6A

<i>Six Months Ended December 31, 2016</i>	Budget	Actual	Variance with Budget
Revenues - state sources	\$ 30,000	\$ 15,006	\$ (14,994)
Expenses:			
Professional services	24,468	12,234	12,234
Facility expenses	4,500	2,250	2,250
Supplies	300	207	93
Equipment	12	12	-
Other expenses	720	303	417
Total expenses	30,000	15,006	14,994
Excess of Revenue Over Expenses	\$ -	\$ -	\$ -

Alaska Legal Services Corporation
Schedule of Revenue and Expenses - Budget and Actual
Matanuska-Susitna Borough Children At Risk Program -
Grant 20391-5504

<i>Six Months Ended December 31, 2016</i>	Budget	Actual	Variance with Budget
Revenues:			
State sources	\$ 35,000	\$ 17,500	\$ (17,500)
Local sources	15,000	7,500	(7,500)
Total revenue	50,000	25,000	(25,000)
Expenses - personal services	25,000	25,000	-
Excess of Revenue Over Expenses	\$ 25,000	\$ -	\$ (25,000)

Alaska Legal Services Corporation

**Schedule of Expenditures of Federal Awards
Year Ended December 31, 2016**

<i>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Award Amount</i>	<i>Passed Through to Subrecipients</i>	<i>Total Federal Expenditures</i>
Legal Services Corporation - direct:					
FY 16 Basic Field	09.902000		\$741,073	\$ -	\$ 741,073
FY 16 Native American	09.902000		556,121	-	556,121
Technology Initiative	09.902000		104,629	-	95,420
Pro Bono Innovation Fund	09.902000		187,566	-	75,102
Total Legal Services Corporation					1,467,716
Department of Health and Human Services					
Aging Cluster - Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers - passed through the State of Alaska Department of Health and Social Services Alaska:					
Nutrition, Transportation & Support SFY 16	93.044	607-309-1601	91,868	-	30,776
Nutrition, Transportation & Support SFY 17	93.044	607-309-1701	96,988	-	54,450
Total Aging Cluster					85,226
National Family Caregiver Support, Title III, Part E - passed through the State of Alaska Department of Health and Social Services:					
National Family Caregiver Program SFY 16	93.052	607-307-1601	38,773	-	9,683
National Family Caregiver Program SFY 17	93.052	607-307-1701	37,302	-	12,353
Total National Family Caregiver Support, Title III, Part E					22,036
Total Department of Health and Human Services					107,262
Corporation for Community and National Service					
AmeriCorps Indian Tribes Planning Grant FY 15 passed through DNA-People's Legal Services, Inc.	94.006	15TNHAZ001	16,592	-	6,336
AmeriCorps Elder Justice Fellowship passed through Equal Justice Works	94.006	16TDHDC001	25,060	-	7,309
AmeriCorps MLP Fellowships passed through New Mexico Legal Aid	94.006	16TNHNM002	68,768	-	5,731
Total Corporation for Community and National Services					19,376
Department of Housing and Urban Development - direct:					
Fair Housing Organization Initiatives					
Fair Housing Grant FY 15	14.417		250,001	-	769
Fair Housing Grant FY 16	14.417		325,000	-	304,826
Total CFDA 14.417					305,595
Education and Outreach Initiatives					
	14.416		125,000	-	46,251
Fair Housing Initiatives Program passed through the Northwest Fair Housing Alliance					
	14.408	FH800G15016	43,855	-	24,366
CDBG - Entitlement Grants Cluster					
Community Development Block Grants/ Entitlement Grants - passed through the Municipality of Anchorage					
Domestic Violence Prevention Project	14.218	PSV-10-ALSC-01	86,984	-	26,217
Domestic Violence Prevention Project	14.218	PSV-13-ALSC-01	75,361	-	75,361
Total CDBG - Entitlement Grants Cluster					101,578
Total Department of Housing and Urban Development					477,790

Alaska Legal Services Corporation
Schedule of Expenditures of Federal Awards, continued
Year Ended December 31, 2016

<i>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Award Amount</i>	<i>Passed Through to Subrecipients</i>	<i>Total Federal Expenditures</i>
Department of Justice					
Tribal Civil and Criminal Legal Assistance					
Grant, Training and Technical Assistance- passed through the Native American Rights Fund:					
Civil Legal Assistance	16.815	2013-AL-BX-0005	\$ 16,092	\$ -	\$ 390
Criminal Legal Assistance	16.815	2013-AL-BX-0002	23,060	-	7,004
Civil Legal Assistance	16.815	2015-AL-BX-0001	22,749	-	14,740
Criminal Legal Assistance	16.815	2013-AL-BX-0002	10,000	-	1,676
Total Tribal Civil and Criminal Legal Assistance Grant, Training and Technical Assistance					23,810
Office on Violence Against Women Legal - direct:					
Assistance for Victims	16.524		600,000	-	105,832
Rural Domestic Violence	16.589		550,000	-	87,933
					193,765
Office for Victims of Crime - passed through the Alaska Immigration Project - Victims of Crime Cooperative					
	16.582	2012-VF-GX-K023	486,267	-	159,745
Total Department of Justice					377,320
Total Expenditures of Federal Awards					\$ 2,449,464

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Alaska Legal Services Corporation under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Alaska Legal Services Corporation, it is not intended to and does not present the financial position, changes in net assets or cash flows of Alaska Legal Services Corporation.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the full accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditure are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rate

Alaska Legal Services Corporation, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 4: Deferred Revenue by CFDA Number

Deferred revenue by CFDA number at December 31, 2016 consists of the following:

<i>Program Title</i>	<i>CFDA Number</i>	<i>Amount</i>
Pro Bono Innovation	09.902000	\$ 25,514
National Family Caregiver	93.052	3,508
Education and Outreach Initiatives	14.416	34,581
Fair Housing Grant	14.417	18,707
Fair Housing Initiatives Program	14.408	8,526
Total		\$ 90,836

Alaska Legal Services Corporation
Schedule of State Financial Assistance
Year Ended December 31, 2016

Name of Award	Grant #	Grant Award	State Share of Expenditures
Department of Health and Social Services			
Nutrition, Transportation & Support Services	607-309-1601	\$ 50,023	\$ 17,753
Nutrition, Transportation & Support Services	607-309-1701	52,991	29,750
National Family Caregiver Support Program	607-307-1601	17,942	6,573
National Family Caregiver Support Program	607-307-1701	12,835	4,250
Mental Health Essential Program Equipment	C05-538-1520	25,000	25,000
* Community Initiative Grants	605-230-1613	250,000	125,000
Community Initiative Grants	605-230-1711	50,000	25,000
Community Initiative Grants	605-230-1713	30,000	15,000
Community Initiative Grants	605-230-1715	40,000	7,376
Community Initiative Grants	605-230-1712	28,794	14,400
Passed through the Municipality of Anchorage: Families at Risk Program	HSCMG16	61,567	30,782
Passed through the Fairbanks North Star Borough: Individual and Family Legal Crisis Project	HSSH6A	50,000	25,000
Individual and Family Legal Crisis Project	HSSH6A	30,000	15,006
Passed through Matanuska-Susitna Borough: Mat-Su Children at Risk	20391-5504	35,000	17,500
Total Department of Health and Social Services			<u>358,390</u>
Alaska Mental Health Trust Authority			
Housing: Legal Resources for Trust Beneficiaries	4119.04	50,000	25,272
* Housing: Legal Resources for Trust Beneficiaries	4119.05	50,000	50,000
* Disability Justice: Holistic Defense Model	6732	67,500	54,390
Disability Justice: Holistic Defense Model	6732.01	90,000	43,627
Housing: ALSC Training Project	7411	25,000	25,000
Total Alaska Mental Health Trust Authority			<u>198,289</u>
Department of Commerce, Community and Economic Development			
* Program Operations	16-DO-001	450,000	206,102
* Program Operations	17-DO-001	450,000	225,000
Total Department of Commerce, Community and Economic Development			<u>431,102</u>
Total State Financial Assistance			<u>\$ 987,781</u>

* Indicates a state major program

Note 1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state grant activity of Alaska Legal Services Corporation under programs of the state government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of Alaska Legal Services Corporation, it is not intended to and does not present the financial position, changes in net assets or cash flows of Alaska Legal Services Corporation.

Expenditures reported on the Schedule are reported on the full accrual basis of accounting.

Single Audit Section



Tel: 907-278-8878

Fax: 907-278-5779

www.bdo.com

3601 C Street, Suite 600

Anchorage, AK 99503

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
Anchorage, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Alaska Legal Services Corporation (the Corporation), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 27, 2017.

Internal Control Over Financial Reporting

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

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

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

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Compliance and Other Matters

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

Purpose of this Report

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

BDO USA, LLP

Anchorage, Alaska
April 27, 2017



Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and the Compliance Supplement for Audits of LSC Recipients

Board of Directors
Alaska Legal Services Corporation
Anchorage, Alaska

Report on Compliance for Each Major Federal Program

We have audited Alaska Legal Services Corporation's (the "Corporation") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the Compliance Supplement for Audits of LSC Recipients issued by the Legal Services Corporation Office of Inspector General that could have a direct and material effect on each of the Corporation's major federal programs for the year ended December 31, 2016. The Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Compliance Supplement for Audits of LSC Recipients. Those standards, the Uniform Guidance and the Compliance Supplement for Audits of LSC Recipients 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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Compliance Supplement for Audits of LSC Recipients, 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 the Corporation's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the Compliance Supplement for Audits of LSC Recipients. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska
April 27, 2017



Tel: 907-278-8878

Fax: 907-278-5779

www.bdo.com

3601 C Street, Suite 600

Anchorage, AK 99503

Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

Board of Directors
Alaska Legal Services Corporation
Anchorage, Alaska

Report on Compliance for Each Major State Program

We have audited Alaska Legal Services Corporation's (the "Corporation") compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of the Corporation's major state programs for the year ended December 31, 2016. The Corporation's major state programs are identified in the accompanying schedule of state financial assistance.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Corporation's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 the 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 on compliance for each major state program. However, our audit does not provide a legal determination of Corporation's compliance.

Opinion on Each Major State Program

In our opinion, the Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2016.

Report on Internal Control over Compliance

Management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, 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 the Corporation's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska
April 27, 2017

Alaska Legal Services Corporation

Schedule of Findings and Questioned Costs Year Ended December 31, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no
 Significant deficiency(ies) identified? yes X (none reported)

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? yes X no
 Significant deficiency(ies) identified? yes X (none reported)

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) and Compliance Supplement for Audits of LSC Recipients yes X no

Identification of major federal programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
09.902000	Basic Field, Native American & Pro Bono Innovation Fund	Legal Services Corporation

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

State Financial Assistance

Type of auditor's report issued on compliance for major state programs: Unmodified

Internal control over major state programs:

Material weakness(es) identified? yes X no
 Significant deficiency(ies) identified? yes X (none reported)

Dollar threshold used to distinguish a state major program: \$ 50,000

Alaska Legal Services Corporation

Schedule of Findings and Questioned Costs, continued *Year Ended December 31, 2016*

Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in Government Auditing Standards.

Section III - Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards (as defined in 2 CFR 200.516(a) and the Compliance Supplement for Audits of LSC Recipients) that are required to be reported.

Section IV - State Award Findings and Questioned Costs

There were no findings and questioned costs for State awards (as defined in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*) that are required to be reported.