

IOLTA

ANNUAL REPORT 2014



Supreme Court of Pennsylvania
Pennsylvania Interest on
Lawyers Trust Account Board

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Who Is Helped?

The Pennsylvania IOLTA Board awards grants to legal services organizations, pro bono programs, and law schools to support civil legal assistance for those without the financial means to retain counsel. The cases below exemplify the type of help that is provided by the grant recipients.

Mr. K, a US Army veteran who served during the first Gulf War from 1997 - 2001, suffered horrible nightmares and flashbacks after helping to remove the bodies of his friends from a hill where two helicopters had crashed. He also witnessed a fellow soldier die tragically while trying to clear explosive materials from the premises. After Mr. K left the service, his symptoms got even worse, as he was plagued by survivor's guilt. Eventually, he ended up homeless and in a shelter, with nobody to turn to. He applied for VA benefits but was denied because the VA said there was no way to prove that he witnessed the tragedies in the service. An attorney with the Homeless Advocacy Project ("HAP") took up Mr. K's appeal with a passion. The HAP attorney found articles and reports documenting the training accidents, and he used Mr. K's service records to prove that he was present for both tragedies. He also reviewed Mr. K's medical records and worked with his treatment team to ensure that Mr. K's Post Traumatic Stress Disorder was properly documented. He then filed a brief with the VA. As a result, in November 2013, the VA overturned the denial and awarded Mr. K over \$10,000 in back benefits. It also agreed to pay him over \$1,500/month moving forward. As a result, Mr. K found an apartment and moved out of the shelter. He continues to live in this apartment today, and has the income to remain safely housed in the future.

Ms. M was eager to adopt her sister's unborn son, whom her sister would be unable to care for. After being unemployed for many years, Ms. M received a job offer in North Carolina that she planned to accept once the adoption was finalized. Excited to start anew, Ms. M came to Philadelphia VIP ("VIP") for help with the adoption process as soon as the child was born. VIP paired Ms. M with a pro bono family law attorney at Hangley, Aronchick, Segal, Pudlin & Schiller. To start, Ms. M had to complete criminal and child abuse clearances and certify her place of residence. The attorney helped Ms. M fill out the many online forms required, as she did not have a computer or internet access at home. Also, the parental rights of the biological mother, the client's sister, had to be formally terminated and she had to certify to the court that the father could not be identified. At the hearing, the adoption was finalized. Ms. M and her adoptive son have now been able to move to North Carolina, where she can provide a safe and loving home with the security of her new job.

Mrs. J received a notice of ejectment from a bank which had purchased her home at a sheriff's sale after foreclosure. In reviewing the paperwork, an attorney at North Penn Legal Services ("NPLS") noticed that the attorney who handled the foreclosure did not give appropriate notice to Mrs. J of the county's mortgage foreclosure diversion program. The NPLS attorney filed a motion to set aside the sheriff's sale and the bank agreed to vacate the judgment. Mrs. J attended the diversion program and qualified for mortgage assistance so that she could refinance her loan to an affordable monthly payment and keep her home.

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With the help of an attorney from the Women's Center and Shelter of Greater Pittsburgh Civil Law Project ("CLP"), Ms. C obtained a Temporary PFA Order against her children's father. The father continued to harass Ms. C by way of text messages including lewd content and continuous requests that Ms. C engage in sexual activity with him. Additionally, the father's text messages threatened punishment towards the children. Ms. C and her attorney attended the Final PFA Hearing, along with the father and his attorney. Following a conciliation meeting with the Judge, Ms. C was able to obtain a continuance of the Temporary PFA Order and provisions limiting the children's contact with their father. Since the entry of this Order, Ms. C reports that all types of harassing communication from the children's father has ceased and her day-to-day life has become peaceful again.

Mrs. P, a 45 year old woman with disabilities severe enough to require hospice care, was assisted by Laurel Legal Services ("LLS") in obtaining Medical Assistance to supplement her private health insurance coverage because she could not afford to pay copayments for medications and doctor visits. The attorney at LLS filed a Medical Assistance application with proof that Mrs. P's disability lasted more than 12 months and required daily medication. The County Assistance Office granted retroactive and current Medical Assistance benefits to supplement the client's private health insurance. Her copayments were decreased to the Medical Assistance limit, and a \$252 refund was granted for the previous 6 months that she had paid amounts exceeding the Medical Assistance limit. She is now able to receive all necessary medical treatment.

Mr. Y and his wife rented a unit in a duplex. Over the years, serious problems with the residence arose, including crumbling walls, bug and mice infestations, a collapsing porch, cracking ceilings and foundation, slanted floors and leaking bathroom fixtures. Mr. Y complained multiple times to the landlord about the conditions but the landlord never fixed anything. When Mr. Y became wheelchair-bound, the landlord refused to install a wheelchair ramp. Eventually, Mr. Y started withholding rent which prompted the landlord to file an eviction action. An attorney from Northwestern Legal Services ("NWLS") represented the client at the eviction hearing. At the hearing, the landlord claimed that more than \$1,400 in back rent was due. NWLS presented testimony and evidence. The judge determined that the landlord had seriously breached the warranty of habitability and that the full amount of rent claimed would be abated. A judgment was entered in favor of the client.

The Pennsylvania IOLTA Board

The Pennsylvania IOLTA Board operates under the jurisdiction of the Supreme Court of Pennsylvania. Primarily, it collects and manages funds from several sources, and annually awards grants to non-profit organizations, law school clinical and internship programs, and pro bono programs that provide civil legal assistance to persons who cannot afford to engage private legal counsel. Pro bono is the provision of legal assistance for the public good, that is, the provision of service by the attorney without the expectation of a fee.

On July 17, 1996, the Supreme Court of Pennsylvania issued a directive that replaced the voluntary IOLTA program, which had been created by Act 59 of 1988, with its own mandatory IOLTA program. The Court's Pennsylvania Interest on Lawyers Trust Accounts Board (IOLTA Board) is governed by a nine member Board of Directors. All nine members are appointed by the Supreme Court of Pennsylvania. Each member is appointed to a three year term and no member may serve more than two consecutive three year terms. The Supreme Court appoints a Chairman. Members of the IOLTA Board at June 30, 2014 were:

James C. Schwartzman, Esquire
Philadelphia, PA
Chair

Hon. Margherita Patti Worthington
Stroudsburg, PA
Vice-Chair

Irwin W. Aronson, Esquire
Harrisburg, PA
Treasurer

Bryan S. Neft, Esquire
Pittsburgh, PA
Secretary

Alan M. Feldman, Esquire
Philadelphia, PA

Ourania Papademetriou, Esquire
Philadelphia, PA

Hon. Kathy M. Manderino
Philadelphia, PA

Hon. Jacqueline L. Russell
Pottsville, PA

(one vacancy)

Stephanie S. Libhart
Executive Director

Grants

LEGAL SERVICES ORGANIZATIONS

Pennsylvania Legal Aid Network.

The Pennsylvania IOLTA Board distributed \$11,537,652 or about 86% of the grant funds it had available for legal services organizations to the Pennsylvania Legal Aid Network (PLAN, Inc.), formerly Pennsylvania Legal Services, to supplement the funding of civil legal aid throughout the state. Of this amount, \$9,659,805 is derived from the Access to Justice Act, and \$1,877,847 from other IOLTA administered funds. PLAN, Inc. is an administrative and support agency that also receives annually-appropriated Commonwealth and federal block grant funding through a contract with the Pennsylvania Department of Welfare. Except for funds to cover its own administrative and support budget, PLAN, Inc. subcontracts all the funding to eight legal aid organizations that provide a full range of civil legal aid for the indigent and abused, and to six projects focused on specialized areas of the law, or on clients with special needs. This statewide network of organizations is referred to as the Pennsylvania Legal Aid Network (PLAN). For the fiscal year ended June 30, 2014, PLAN handled 70,354 cases, maintained 64 offices, employed 227 attorneys and 76 paralegals, and from all sources was funded at about \$49.8 million dollars (and additionally received in kind and pro bono support valued at \$4 million). The PA IOLTA Board's funding administered through PLAN, Inc. provided about 21% of the total annual financial funding for PLAN.

The Homeowner Assistance Settlement Act (HASA), Act 70 of 2012, related to the settlement agreement between the Attorney General of the Commonwealth and the leading mortgage serving companies, allocated \$600,000 for fiscal year ended June 30, 2014 to the Access to Justice Account for civil legal assistance related to housing issues. The Pennsylvania IOLTA Board allocated \$589,039 of this fund in 2013-2014 to PLAN, Inc. for the representation of homeowners at risk of or in foreclosure of a primary residence or in a bankruptcy filing that was intended to save the home from foreclosure. PLAN handled 1370 cases with HASA funds.

Zone Grants.

The unmet civil legal needs of the poor are addressed not only by PLAN, Inc. funded organizations described above, but also by other independent legal services organizations. These other organizations, which are located primarily in the urban areas of the Commonwealth, often target specific areas of the law, help particularly vulnerable client populations, or provide civil legal assistance which PLAN organizations are restricted from providing because of government regulations. Because of their special focus, the organization leaders and supporters exhibit a unique passion for the missions of the organizations. Surveys of the American Bar Association have determined that only 20% of the civil legal needs of the poor are being addressed by legal services organizations and pro bono efforts of attorneys. The IOLTA Board's focus is to attract more support, financial and pro bono volunteers, to help close this gap. The uniqueness of the non-PLAN organizations attracts additional support by rallying interest around their special issues or client populations.

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Since the Board seeks to assure its grants are geographically disbursed, it provides project or special initiative grants to PLAN organizations in the rural areas of the Commonwealth to balance the grants made to the non-PLAN organizations in the urban areas.

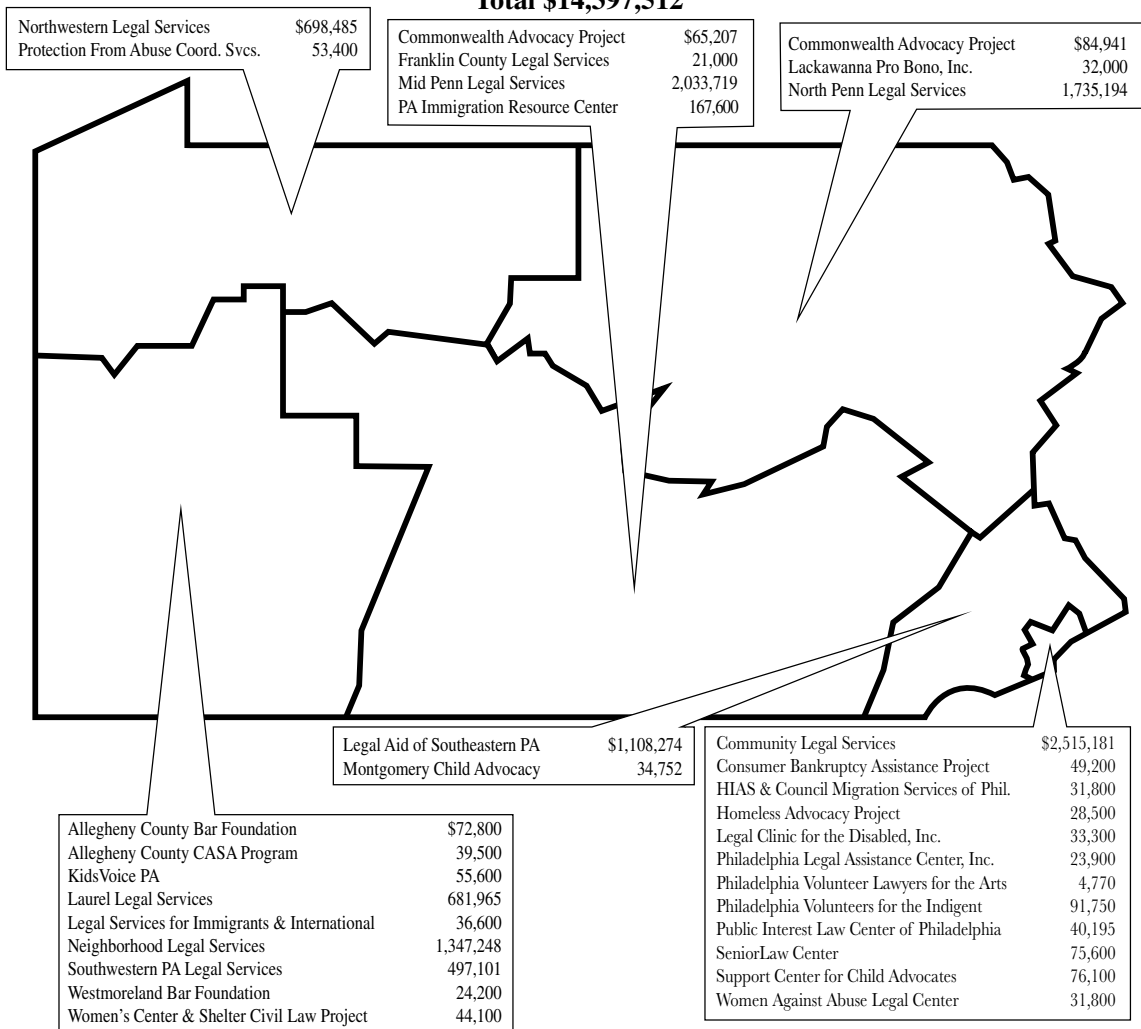
The Board has a “statewide” zone since some of the non-PLAN organizations offer their services to clients throughout the state. Some of the organizations use statewide toll free help-lines. Often, advice and counsel can be provided to callers, and if the particular issues of the caller meet the case acceptance criteria of the organization, the client will receive representation on their case, no matter where the caller lives, or where the organization is located.

In addition to general operational support of the non-PLAN organizations, the IOLTA Board’s zone grants supported specialized legal service delivery efforts to targeted groups of people such as the disabled, non-English speaking communities, and victims of domestic violence. Zone grants for the fiscal year ending June 30, 2014 totaled \$2,270,821.

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“Legal Services Organization Grants”

Total \$14,397,512



STATEWIDE

AIDS Law Project	\$30,000	Juvenile Law Center	\$40,600
Commonwealth Advocacy Project	253,520	PA Health Law Project	304,492
Community Legal Services	76,654	PA Institutional Law Project	408,555
Disability Rights Network of PA	48,200	PA Legal Aid Network	671,850
Education Law Center - PA	47,300	Regional Housing Legal Services	443,792
Friends of Farmworkers	236,767		

(continued)

LAW SCHOOLS.

Grants were made to each of the eight law schools operating in Pennsylvania to support clinical and/or internship programs that provided practical skills training for the law student, while also providing civil legal assistance to indigent persons. This allows the students to experience first-hand the dire circumstances many low income persons confront which can often be lessened by civil legal intervention. The exposure helps the students understand the special position attorneys hold in the justice system, and the necessity for all lawyers to provide pro bono services. Law schools must demonstrate that the grant funds are used to address a current civil legal need of the poor and for live-client or other real-life practice experience. The law school must also consult with local area programs that provide free or low-fee civil legal services to the poor, and demonstrate their own financial commitment to the programs funded by the IOLTA grant. Law school grants for the year totaled \$1,600,000.

School of Law	IOLTA FUNDED	
	Student Hours in Client Representation	Staff/Faculty Hours in Rep. & Supervision
Pennsylvania State University, Dickinson		
Community Law Clinic	326	125
Children's Advocacy Clinic	1,627	811
Pro Bono Matching Program	50	83
Summer Fellowship Program	7,287	696
Drexel University		
Civil Litigation Clinic	3,203	990
Pro Bono Projects	5,524	3,287
Duquesne University		
Unemployment Compensation Clinic	1,300	640
Civil & Family Justice Law Clinic	445	235
Summer Public Interest Fellowships	2,209	250
Pro Bono/Public Interest Externship Program	799	12
University of Pennsylvania		
Sparer Summer Fellowship Program	3,864	0
Civil Practice Clinic	2,036	1,896
University of Pittsburgh		
Elder Law Clinic	1,264	365
Family Law Clinic	1,670	384
NLSA Practicum	1,536	720
SPLAS Practicum	1,421	146
Temple University		
Immigration Law Project	1,320	890
Family Law Litigation	1,218	905
Elderly Law Project	211	216
Legal Advocacy for Patients	389	389
Villanova University		
Civil Justice & Farmworker Clinic	4,075	1,057
Legal Aid Externships	151	0
Widener University		
Civil Law Clinic	1,597	1,298
	43,522	15,395

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PRO BONO INITIATIVES.

Pro bono, as envisioned by this initiative, means the provision of legal assistance to indigent clients without the expectation of any fee for any service rendered by the attorney. Pro bono initiative grants were awarded to support non-profit organizations that provide the administrative and support structure for efforts to mobilize pro bono volunteer attorneys. Pro bono initiative grants for the year totaled \$50,500.

Pro Bono Initiative Grants		
	Grant Amount	Projected Volunteers
Alice Paul House (Indiana County) Supported staff at the Alice Paul House, which serves as Indiana County's victim advocate agency, to coordinate pro bono representation of PFA applicants. The effort was a partnership among the Judges in Indiana County and the bar association.	\$10,000	13
Chester County Bar Association Provided attorneys with the training, information, instructions and forms necessary to assist with family law custody and protection from abuse cases.	\$2,500	186
Cumberland County Bar Association Supported a Pro Bono Coordinator to administer the CCBA Pro Bono Program, which includes attorney recruitment and training for representing low-income clients in case types including Family, Unemployment, Mortgage Foreclosure Diversion Program, landlord/tenant, and divorce.	\$8,000	150
Delaware County Bar Association Supported a Pro Bono Coordinator to administer the DCBA Pro Bono Program, which includes monitoring member compliance and recruitment, assessing pro bono needs in custody and PFA cases, and planning and implementing CLE training programs.	\$10,000	200
Washington County Bar Association Supported the Pro Bono Custody Project which provides representation in a pre-custody conciliation program for low-income and modest means families.	\$10,000	100
Women's Center & Shelter of Greater Pittsburgh (Allegheny County) Supported an administrative coordinator, housed in the courthouse, to connect PFA plaintiffs with a pool of attorney volunteers. The effort is a partnership of the Court, Neighborhood Legal Services Association, Women's Center & Shelter of Greater Pittsburgh, Allegheny County Bar Foundation and Allegheny County Bar Association.	\$10,000	263

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LOAN REPAYMENT ASSISTANCE PROGRAM (LRAP).

The LRAP is administered by the Pennsylvania Bar Foundation (PBF) under a three year grant funded by pro hac vice admission fees. Attorneys employed in good standing with IOLTA funded legal services organizations, who are also in good standing with lenders of their student loans, and who earn annual compensation of \$66,000 or less, are eligible for a LRAP loan. The loans are provided on a calendar year basis, and if the attorney remains in qualified employment through the end of the calendar year, the loan will be forgiven. In the initial year of the LRAP, qualified attorneys can receive a LRAP loan of up to \$3,500. In the second and third years of LRAP participation, qualified attorneys can receive a LRAP loan of up to \$4,500 and \$6,000 respectively.

	2014
Number of Applicants	91
Number of Loans	90
Average Compensation	\$50,070
Average Student Debt	\$119,672
Number of Organizations	26

Eligible Depository Institutions

(As of December, 2014)

Listed below are the eligible financial institutions that have been approved as depositories for attorney trust accounts. The **HIGHLIGHTED FINANCIAL INSTITUTIONS** are PLATINUM LEADER BANKS - institutions that go above and beyond eligibility requirements to foster the goals of the IOLTA Program. These institutions pay a net yield of the higher of 1 percent or 75 percent of the Federal Funds Target Rate. They are committed to ensuring the success of the IOLTA Program and increased funding for legal aid.

1st Colonial Community Bank
1st National Community Bank (OH)
1st Summit Bank
Abacus Federal Savings Bank
ACNB Bank
Allegent Community Federal Credit Union
Allegheny Valley Bank of Pittsburgh
Alliance Bank
Altoona First Savings Bank
Ambler Savings Bank
AMERICAN BANK (MD)
AMERICAN BANK (PA)
Americhoice Federal Credit Union
Ameriserv Financial
Apollo Trust Company
ARC Federal Credit Union
Bancorp Bank (The)
Bank of America
Bank of Landisburg (The)
Beaver Valley Federal Credit Union
BELCO Community Credit Union
Beneficial Mutual Savings Bank
BNY Mellon, NA
Brentwood Bank
Bryn Mawr Trust Company (The)
Bucks County Bank
C & G Savings Bank
Capital Bank, NA
Carrollton Bank
CENTRIC BANK
CHARLEROI FEDERAL SAVINGS BANK
Chemung Canal Trust Company
Citibank, NA
Citizens & Northern Bank
Citizens Bank, NA

Citizens National Bank of Meyersdale (The)
City National Bank of New Jersey
Clarion County Community Bank
Clearfield Bank & Trust Company (The)
Clearview Federal Credit Union
CNB Bank
Coatesville Savings Bank
Colonial American Bank
Commercial Bank & Trust of PA
Community Bank (PA)
Community Bank, NA (NY)
Community First Bank
Community National Bank of NW PA
Community State Bank of Orbisonia
Conestoga Bank
Continental Bank
County Savings Bank
Cresson Community Bank
Customers Bank
Dime Bank (The)
DNB First, NA
Dollar Bank
Eagle National Bank
East River Bank
Elderton State Bank
Embassy Bank for the Lehigh Valley
Enterprise Bank
Ephrata National Bank
ErieBank, a division of CNB Bank
ESB BANK
Esquire Bank
ESSA Bank & Trust
Eureka Bank
Farmers & Merchants Trust Company of
Chambersburg

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Farmers National Bank of Emlenton (The)
Fidelity Deposit & Discount Bank (The)
**FIDELITY SAVINGS & LOAN ASSOCIATION
OF BUCKS COUNTY**

Fifth Third Bank
First Citizens Community Bank
First Columbia Bank & Trust Company
First Commonwealth Bank
First Community Bank of Mercersburg
First Cornerstone Bank
First Federal S & L Assoc. of Bucks County
First Federal S & L Assoc. of Greene County
First Heritage Federal Credit Union
First Keystone Community Bank
First National Bank & Trust Company of
Newtown (The)

First National Bank of Fredericksburg (The)
First National Bank of Lilly (The)
First National Bank of Mifflintown (The)
**FIRST NATIONAL BANK OF MINERSVILLE
(THE)**

First National Bank of Pennsylvania
First National Bank of Port Allegany
First National Community Bank
First Niagara Bank, NA
First Northern Bank & Trust Company

FIRST PRIORITY BANK
FIRST RESOURCE BANK

First Savings Bank of Perkasioe
First United National Bank
FirstMerit Bank, NA
Firsttrust Savings Bank
Fleetwood Bank

FNB BANK, NA
Fox Chase Bank
Franklin Mint Federal Credit Union

FULTON BANK, NA
Gratz Bank (The)
Greenville Savings Bank
Halifax Bank, division of Riverview Bank
Hamlin Bank & Trust Company
Harleysville Savings Bank
Hatboro Federal Savings
Haverford Trust Company (The)
Home Savings & Loan Company (OH)
Hometown Bank of Pennsylvania
Honesdale National Bank (The)
HSBC Bank USA, NA
HUNTINGDON VALLEY BANK
Huntington National Bank (The)
HYPERION BANK
Indiana First Savings Bank
Integrity Bank
Investment Savings Bank
Iron Workers Savings Bank
Jersey Shore State Bank
Jim Thorpe Neighborhood Bank
Jonestown Bank & Trust Company
JUNIATA VALLEY BANK (THE)
Kish Bank
LAFAYETTE AMBASSADOR BANK
Landmark Community Bank
Liverpool Community Bank
Luzerne National Bank
M & T Bank
Malvern Federal Savings Bank
Manor Bank
Marion Center Bank
Marquette Savings Bank
Mars National Bank (The)
Marysville Bank, division of Riverview Bank

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(As of December, 2014)

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Mauch Chunk Trust Company
MB Financial Bank, NA
MCS (Mifflin County Savings) Bank
Mercer County State Bank
Merchants Bank of Bangor
Meridian Bank
Metro Bank
Mid Penn Bank
Mifflinburg Bank & Trust Company
Milestone Bank
Milton Savings Bank
Miners Bank
Monument Bank
MOREBANK, DIVISION OF BANK OF PRINCETON (THE)
MUNCY BANK & TRUST COMPANY (THE)
National Penn Bank
NBT Bank, NA
Neffs National Bank (The)
NEW TRIPOLI BANK
NexTier Bank, NA
Noah Bank
Northumberland National Bank (The)
Northwest Savings Bank
OMEGA Federal Credit Union
Orrstown Bank
PARKE BANK
Parkview Community Federal Credit Union
Penn Liberty Bank
Peoples Security Bank & Trust Company
PeoplesBank, a Codorus Valley Company
Philadelphia Federal Credit Union
Phoenixville Federal Bank & Trust
Pittsburgh Central Federal Credit Union
PNC Bank, NA

Polonia Bank
Port Richmond Savings
Progressive-Home Federal S & L Association
Provident Bank (The)
Prudential Savings Bank
PS Bank
QNB Bank
Quaint Oak Bank
Reliance Savings Bank
Republic First Bank DBA Republic Bank
Riverview Bank
Royal Bank America
S & T Bank
Santander Bank, NA
Scottdale Bank & Trust Co. (The)
Second Federal S & L Association of Philadelphia
Sharon Savings Bank
Slovak Savings Bank
Slovenian S & L Association of Franklin-Conemaugh
Somerset Trust Company
STANDARD BANK, PASB
Stonebridge Bank
SUN NATIONAL BANK
SunTrust Bank
Susquehanna Bank
SWINEFORD NATIONAL BANK
TD Bank, NA
Tompkins VIST Bank
Tristate Capital Bank
Turbotville National Bank (The)
UNB Bank
Union Building & Loan Savings Bank
Union Community Bank

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United Bank
United Bank of Philadelphia
United Savings Bank
Unity Bank
Univest Bank & Trust Co.
Valley Green Bank
Victory Bank (The)
WASHINGTON FINANCIAL BANK
Wayne Bank
Wells Fargo Bank, NA

WesBanco Bank, Inc.
WEST MILTON STATE BANK
West View Savings Bank
Westmoreland Federal S & L Association
of Latrobe
William Penn Bank
Woodlands Bank
WOORI AMERICA BANK
WSFS (Wilmington Savings Fund Society), FSB
York Traditions Bank

IOLTA Facts And Figures

Attorney Participation	<u>06/30/14</u>	<u>06/30/13</u>	<u>06/30/12</u>	<u>06/30/11</u>	<u>06/30/10</u>
Attorneys Licensed to Practice in Pennsylvania	64,123	63,673	63,830	62,801	62,257
Estimated Number of Attorneys Eligible to Participate	38,900	34,690	34,849	35,129	34,572
Attorneys Participating	31,034	30,921	31,095	31,318	30,846
Depository Institutions					
Participating Depository Institutions	223	203	204	210	214
Bank Charges as a Percent of IOLTA Revenues	6%	7%	6%	5%	5%
Bank Reported Accounts	14,691	14,389	14,271	13,941	13,658
	<u>7/1/13-</u>	<u>7/1/12-</u>	<u>7/1/11-</u>	<u>7/1/10-</u>	<u>7/1/09-</u>
Financial	<u>06/30/14</u>	<u>06/30/13</u>	<u>06/30/12</u>	<u>06/30/11</u>	<u>06/30/10</u>
Revenue					
IOLTA	\$3,136,466	\$3,086,362	\$3,484,675	\$4,084,341	\$4,091,718
Access to Justice Act Fees	\$9,771,547	\$10,569,953	\$10,314,545	\$10,760,087	\$9,368,177
Pro Bono Initiative Contributions	\$38,161	\$38,108	\$44,282	\$48,526	\$49,537
Pro Hac Vice	\$270,000	\$338,800	\$370,800	\$413,000	\$260,300
Attorney Assessment Fees	\$2,236,540	\$2,214,175	\$1,552,500	\$1,696,400	\$1,507,300
Class Action Residuals	\$2,282,191	\$78,010	\$1,728,060	\$0	\$0
Homeowner Assistance Settlement Act	\$600,000	\$900,000	\$0	\$0	\$0
Other	\$274,798	\$34,469	\$27,621	\$28,217	\$37,208
Total Revenue	\$18,609,703	\$17,259,877	\$17,522,483	\$17,030,571	\$15,314,240
Grant Awards					
Legal Services Organizations	\$14,397,512	\$15,611,664	\$14,451,470	\$14,715,963	\$13,591,131
Law Schools	\$1,600,000	\$1,586,629	\$1,600,000	\$1,599,478	\$1,630,251
Pro Bono Initiative	\$50,500	\$52,500	\$47,500	\$50,000	\$36,393
Loan Repayment Assistance Program	\$186,198	\$0	\$564,430	\$510,000	\$0
Administrative Expenses	\$675,119	\$716,902	\$838,004	\$696,098	\$633,544
Total Expenses	\$16,909,329	\$17,967,695	\$17,501,404	\$17,571,539	\$15,891,319
Legal Services Provided*					
New Cases	15,916	16,201	18,751	19,538	16,565
Handled Cases	20,962	22,269	25,882	27,556	23,878

*Reflects the case data funded through the PLAN statewide system. Other services also funded by IOLTA are not reflected in the data.

Independent Auditor's Report

To the Board of Directors of
Pennsylvania Interest on Lawyers Trust Account Board
Harrisburg, Pennsylvania

We have audited the accompanying financial statements of Pennsylvania Interest on Lawyers Trust Account Board, which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Pennsylvania Interest on Lawyers Trust Account Board as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

(continued)

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements. The management's discussion and analysis and Schedule of General and Administrative Expenses and Property Acquisitions – Budget & Actual on pages 17 through 24 and 36 through 37 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. We have applied certain limited procedures to the management's discussion and analysis and Schedule of General and Administrative Expenses and Property Acquisitions – Budget & Actual in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis and Schedule of General and Administrative Expenses and Property Acquisitions – Budget & Actual because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming an opinion on the financial statements. The Detailed Schedules of Revenue, Expenses, and Changes in Net Assets and the Schedules of Grant Recipients presented on pages 38 and 39 through 40 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of the management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Detailed Schedules of Revenue, Expenses, and Changes in Net Assets and the Schedules of Grant Recipients have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Detailed Schedules of Revenue, Expenses, and Changes in Net Assets and the Schedules of Grant Recipients are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

September 25, 2014

Mechanicsburg, Pennsylvania



HAMILTON & MUSSER, P.C.

Certified Public Accountants

Pennsylvania Interest On Lawyers Trust Account Board

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

The following discussion and analysis of the financial performance and activity of the Pennsylvania Interest on Lawyers Trust Account Board (IOLTA Board) is to provide an introduction and understanding of the basic financial statements of the IOLTA Board for the fiscal year ended June 30, 2014 with selected comparative information for the fiscal year ended June 30, 2013. This discussion, which has been prepared by management, is not audited; and should be read in conjunction with the financial statements and their notes, which follow this section.

An Interest on Lawyers Trust Account (IOLTA) Program exists in each state and the District of Columbia. In some states, the underlying authority for the program is a state statute; however, in most, it is by rule promulgated by the state's highest court. In Pennsylvania, the IOLTA Program was initially established by statute in 1989, but in 1996, the Supreme Court of Pennsylvania suspended the statute, assumed jurisdiction for the program in accordance with Pennsylvania's constitution, and made participation in the program mandatory by all eligible licensed Pennsylvania lawyers.

The concept of the IOLTA program is simple. Clients and others frequently transfer money to lawyers to hold. When the amount is large or if the funds will be held for an extended period of time, lawyers invest them for the benefit of the client or third party. However, when the funds are small or expected to be held for a short time, they cannot practically be invested to benefit the owner. Pennsylvania Rule of Professional Conduct (RPC) 1.15 requires lawyers to maintain nominal and short term funds of clients in interest-bearing IOLTA accounts at approved financial institutions. Lawyers who infrequently handle clients' funds can request an exemption from the IOLTA requirements of the RPC 1.15. The lawyer's bank transfers the interest earned on IOLTA accounts to the IOLTA Board. Upon approval by the Supreme Court of Pennsylvania, the IOLTA Board distributes the IOLTA interest collected to non-profit organizations, law school administered clinical and externship programs, and administration of justice projects all of which provide civil legal services free of charge to low-income and disadvantaged Pennsylvania residents.

Until the fiscal year ended June 30, 2003, the IOLTA Board's single major source of revenue had been the collection of interest earned on IOLTA accounts. Revenue generated by IOLTA accounts is dependent on the interest rate(s) credited by financial institutions on IOLTA accounts, service charges offset against the IOLTA interest, and the principal amount of funds maintained in the IOLTA accounts. Although IOLTA revenue can also be affected by the extent of lawyer compliance with the RPC 1.15, compliance is and has been nearly 100%.

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Pennsylvania Interest On Lawyers Trust Account Board

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Effective November 1, 2002, a second significant revenue source was established. A statute, Act 122 of 2002, a section of which is known as the Access to Justice Act (AJA), provides for the assessment and collection of a surcharge on all civil filings, as well as the recording of deeds and mortgages and their related filings, and criminal filings where a conviction or a guilty plea is obtained. The amount of the surcharge that is earmarked for the IOLTA Board underwent a legislative review and on June 30, 2012 the governor signed into law Act 79 of 2012 extending the sunset date of Act 122 until November 1, 2017.

On October 9, 2009, the governor signed into law Act 49 of 2009, a supplemental increase in the AJA filing fee surcharge. An additional \$1 was added to the existing surcharge on all civil filings, as well as the recording of deeds and mortgages and their related filings, and criminal filings where a conviction, guilty plea or Accelerated Rehabilitative Disposition (ARD) is obtained. However, unlike the regular AJA surcharge, the \$1 additional temporary surcharge is not applied to traffic citations. The temporary fee was implemented December 9, 2009 and originally was scheduled to expire on January 8, 2012. On July 7, 2011 the expiration date of the temporary surcharge was extended to December 31, 2014. The combined regular (Act 122) plus the supplemental (Act 49) surcharges raised \$9.8 million during the fiscal year ended June 30, 2014.

Effective February 1, 2005, the Supreme Court of Pennsylvania required judicial officials of the Minor Judiciary to establish IOLTA-like accounts for their custodial accounts. The program is referred to as the Minor Judiciary Interest on Trust Accounts (MJ-IOTA) program. The MJ-IOTA program is similar to the IOLTA program. Judicial officials maintain custodial accounts to hold the collection of fees and fines, collateral and cash bonds, restitution for victims of crime and other similar amounts, until the funds are ultimately transferred to the owners. Essentially, all of the funds handled by the minor judiciary are qualified funds, that is, funds which are nominal in amount or will be held for a short period of time.

Effective September 4, 2007, an admission fee of \$100 per case applicable to each out-of-state attorney who wished to appear in a Pennsylvania Court was established. Per Supreme Court order, the *pro hac vice* admission fee was increased to \$200 per case, per attorney effective September 24, 2010. The admission fee proceeds averaged about \$22,500 monthly for the fiscal year ended June 30, 2014, and are used to fund a Loan Repayment Assistance Program (LRAP) that provides forgivable loans to eligible attorneys employed by qualified legal services organizations. The loans are forgiven annually if the attorney remains in qualified employment.

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Pennsylvania Interest On Lawyers Trust Account Board

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Effective April 2, 2009, Rule of Professional Conduct 1.15 was amended to increase the annual attorney registration fee assessment by \$25, with the increased amount dedicated to help fund civil legal aid for the poor. The increase was implemented with the 2009-2010 assessment year, and raises approximately \$1.6 million annually. The funding is available to the IOLTA Board until further order of the Court directs otherwise. On April 9, 2012, the Supreme Court of Pennsylvania ordered a \$10 increase in the amount of the annual attorney registration fee directed to the PA IOLTA Board, which represented about \$660,000, for 2013-2014.

On May 11, 2012, the Supreme Court of Pennsylvania amended Rule of Civil Procedure 1716 to provide that at least 50% of residual funds in class action lawsuits in Pennsylvania Courts be directed to the PA IOLTA Board to help fund civil legal aid for the poor. The rule became effective on July 1, 2012, making Pennsylvania the ninth state to use class action residual proceeds to help fund civil legal assistance for the poor. In fiscal year ended June 30, 2014, \$2,282,191 was received as a result of this source.

On June 22, 2012, Governor Tom Corbett signed into law Act 70 of 2012, the Homeowner Assistance Settlement Act ("HASA"), related to the settlement agreement between the Attorney General of the Commonwealth and the leading mortgage serving companies. The Act allocated \$900,000 for fiscal year ended June 30, 2013 and \$600,000 for each of the next four years to the Access to Justice Account for civil legal assistance related to housing issues.

The IOLTA Board also receives some limited annual funding from voluntary contributions from lawyers. A solicitation is made for contributions to support the establishment or expansion of organized pro bono representation for indigent Pennsylvania residents by lawyers in private practice. Pro bono representation is the provision of legal assistance for the public good by lawyers without the expectation of a fee for the services.

IOLTA BOARD'S ACTIVITY HIGHLIGHTS

National and other studies have concluded that only one of five indigent persons needing civil legal assistance actually receives the needed legal help. As a result, legal assistance is often rationed to those whose needs are determined the greatest, such as victims of domestic violence, tenants and homeowners facing the loss of housing, and families facing the loss of income.

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Pennsylvania Interest On Lawyers Trust Account Board

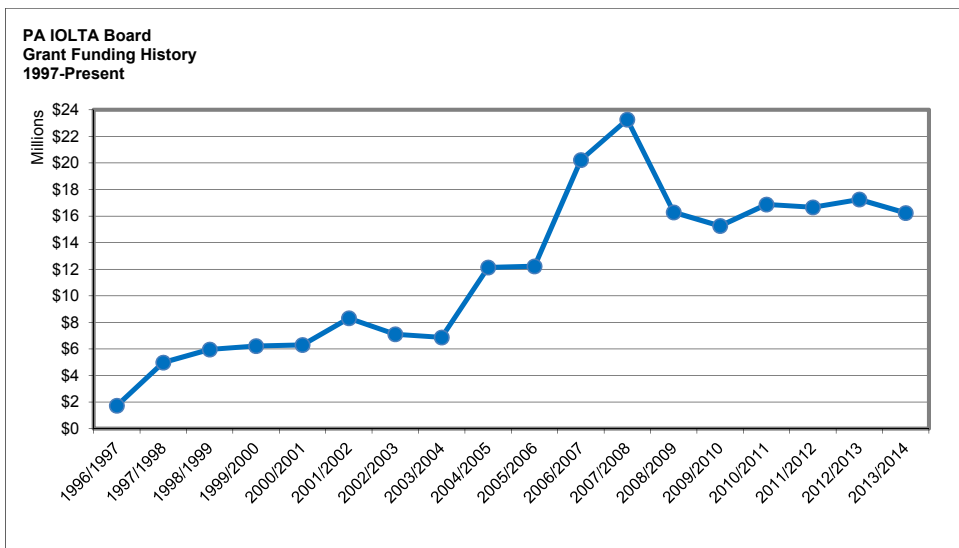
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

All of the IOLTA Board's grants are directed to maintaining and increasing the access to and provision of civil legal assistance for Pennsylvania residents who need civil legal help, but who cannot afford to pay for the assistance of a lawyer. An additional objective of its grants to law schools and pro bono programs is to instill a public service, pro bono ethic in the law students and lawyer participants of the programs.

The IOLTA Board also seeks to increase the amount of revenue it has available for such grants. Finally, the IOLTA Board monitors lawyer and financial institution compliance with the IOLTA requirements of Pennsylvania Rule of Professional Conduct 1.15.

Overall Grant Activities

Since the inception of the IOLTA Board in Pennsylvania through June 30, 2014, about \$229.6 million of grants have been awarded (about \$213.9 million of which was awarded while the IOLTA Board was under the jurisdiction of the Supreme Court). As can be observed from the graph displaying the grant funding history, while the IOLTA Board was under the jurisdiction of the Supreme Court, grants have generally increased over the years. Significantly reduced interest rates as a result of the "great recession of 2008" however, have caused a significant reduction in grants in recent years.



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Pennsylvania Interest On Lawyers Trust Account Board

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Since the IOLTA Board came under the jurisdiction of the Supreme Court of PA, most grants, \$187.9 million, have gone to legal services organizations, almost \$24.0 million to law school clinical and externship programs, and \$707,000 to establish or expand pro bono efforts.

In the fiscal year ended June 30, 2010, the Supreme Court of Pennsylvania authorized a Loan Repayment Assistance Program (LRAP) to help lawyers better manage their student loans while in the employment of qualified legal aid organizations. Since its inception, nearly \$1.3 million has been used for the LRAP.

These grants under the jurisdiction of the Supreme Court of Pennsylvania over the years have been funded \$101.0 million from the IOLTA funding stream, \$96.8 million from the AJA fees, \$1.5 million from the HASA fund, \$1.7 million from an out-of-state class action residual award, \$10.8 million from Court funding, \$692,000 from private contributions, and \$1.3 million from *pro hac vice* admission fees.

Attorney Compliance

Each year, the IOLTA Board notifies approximately 1,500 newly licensed Pennsylvania lawyers of their IOLTA responsibilities. Additionally, each year, the IOLTA Board reviews trust account information lawyers report to the Disciplinary Board of the Supreme Court of Pennsylvania to locate IOLTA accounts established by lawyers at their financial institutions but not being reported to the IOLTA Board by the financial institutions. Contact also is made with lawyers who report trust accounts that are not but should be IOLTA accounts.

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Pennsylvania Interest On Lawyers Trust Account Board

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

COMMENTS ON FINANCIAL STATEMENTS

Condensed financial data extracted from the basic financial statements for the fiscal years ended June 30, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
Capital assets	\$ 48,508	\$ 78,867
Other assets	16,424,157	14,585,580
	<hr/>	<hr/>
Total assets	\$ 16,472,665	\$ 14,664,447
	<hr/>	<hr/>
Total current liabilities	\$ 1,416,446	\$ 1,308,602
	<hr/>	<hr/>
Invested in capital assets	\$ 48,508	\$ 78,867
Restricted net assets	9,367,027	9,330,360
Unrestricted net assets	5,640,684	3,946,618
	<hr/>	<hr/>
Total net assets	\$ 15,056,219	\$ 13,355,845
	<hr/>	<hr/>
Total liabilities and net assets	\$ 16,472,665	\$ 14,664,447
	<hr/>	<hr/>
IOLTA interest, net of service charges	\$ 3,136,466	\$ 3,086,362
Access to Justice fees	9,771,547	10,569,953
Other Revenue	5,701,690	3,603,562
	<hr/>	<hr/>
Total revenues	\$ 18,609,703	\$ 17,259,877
	<hr/>	<hr/>
Program administration	\$ 675,119	\$ 716,902
	<hr/>	<hr/>
Grant awards		
Legal service organizations	\$ 14,397,512	\$ 15,611,664
Law schools	1,600,000	1,586,629
Pro bono grants	50,500	52,500
Loan Repayment Assistance Program	186,198	-
	<hr/>	<hr/>
Total grant awards	\$ 16,234,210	\$ 17,250,793
	<hr/>	<hr/>
Total expenses	\$ 16,909,329	\$ 17,967,695
	<hr/>	<hr/>
Change in net assets	\$ 1,700,374	\$ (707,818)
Net assets – July 1	\$ 13,355,845	\$ 14,063,663
Prior period adjustment	-	-
	<hr/>	<hr/>
Net assets – June 30	\$ 15,056,219	\$ 13,355,845
	<hr/>	<hr/>

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Pennsylvania Interest On Lawyers Trust Account Board

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Financial Statement Overview

As between the reported years, grants decreased by 6%. AJA revenues continued to decline due fewer court filings. Additionally, the amount of Homeowner Assistance Settlement Act (Act 70 of 2012) fell from \$900,000 in fiscal year ended June 30, 2013 to \$600,000 in fiscal year ended June 30, 2014. Net assets increased due to the receipt of class action residual funds in fiscal year ended June 30, 2014.

Legal Services Organization Grants

Grants totaling \$14,397,512 and \$15,611,664 were awarded in fiscal years ended June 30, 2014 and 2013, respectively, to thirty-seven non-profit organizations that facilitate and/or provide civil legal assistance to the indigent and disadvantaged residents in Pennsylvania. The largest grant this past year, \$12,126,691, was awarded to the Pennsylvania Legal Aid Network, Inc. which is an administrative and support organization that oversees a statewide system of legal aid programs which is staffed by poverty law lawyers. That grant sought to provide general and specialized civil legal assistance in over 18,200 cases for indigent persons in Pennsylvania.

Direct grants were made to some of the organizations of the Pennsylvania Legal Aid Network for special projects aimed at increasing access to legal assistance in targeted legal areas. For example, Pennsylvania Health Law Project provided specialized statewide training to advocates to help eligible clients apply for and receive Medicaid benefits. Regional Housing Legal Services continued to help the residents of manufactured home parks address the unique legal challenges they face, which undermine the security of their home ownership.

Grants were also awarded to civil legal service organizations that are specially organized to represent the homeless, disabled, victims of abuse, elderly, or to provide specialized legal help for education, immigration, bankruptcy and other areas.

Law School Clinics and Internship Programs

Grants were awarded to each of the eight Pennsylvania law schools to help fund clinical programs that provide practical, supervised representational experiences for law students, as well as, civil legal help for the indigent. The total IOLTA grant awards to the law schools, net of refunds of grant under-spending from prior years, were \$1,600,000 and \$1,586,629 in fiscal years ended June 30, 2014 and 2013, respectively. Each of the Pennsylvania law schools received a grant of \$200,000. Thirteen clinics operated by the law schools received IOLTA grant support. IOLTA support for each clinic ranges from 4% to 99% of the total cost of operating the clinic. Many of the law schools offer externships at

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Pennsylvania Interest On Lawyers Trust Account Board

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

poverty law offices for students to provide civil legal representation under the supervision of experienced poverty law practitioners. IOLTA funding supports these externship opportunities, as well. The law students spent about 43,000 IOLTA-funded hours in the direct representation of indigent clients in the fiscal year ended June 30, 2014.

Pro Bono Initiative

This year organized pro bono programs were funded in six counties at the level of \$50,500. The grants were expected to help mobilize nearly 912 lawyer volunteers to provide civil legal assistance for the indigent.

Loan Repayment Assistance Program

In 2014, the IOLTA Board awarded a three-year, \$1,050,858 grant to the Pennsylvania Bar Foundation (PBF) to administer a Loan Repayment Assistance Program (LRAP) which helps legal aid attorneys manage their student loan debt. The program is funded by admission fees paid by out-of-state attorneys who will petition a Pennsylvania court to enter their appearance *pro hac vice*. The goal of the LRAP is to assist IOLTA-funded legal services organizations in recruiting and retaining the best and brightest attorneys to serve the civil legal needs of poor Pennsylvanians. Since the inception of the program in 2010, 131 legal aid lawyers received a loan which was or will be forgiven when the lawyer completes a full year of legal aid employment. Eligible lawyers may participate in the LRAP for up to 10 years.

Pennsylvania Interest On Lawyers Trust Account Board

STATEMENT OF FINANCIAL POSITION FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Current Assets		
Cash and Cash Equivalents		
Unrestricted	\$ 4,768,427	\$ 2,804,753
Restricted to Access to Justice Program	4,525,332	4,200,387
Certificates of Deposit, Short Term	321,148	611,948
Deferred Compensation Asset (Note 12)	81,833	158,248
Accounts Receivable		
IOLTA Interest	324,521	314,997
Access to Justice	2,047,826	2,140,959
Other	1,087	250
Prepaid Expenses	15,537	6,001
Prepaid LRAP	<u>187,508</u>	<u>-</u>
Total Current Assets	12,273,219	10,206,445
Capital Assets, Net (Note 3)	48,508	78,867
Certificates of Deposit, Long Term		
Unrestricted	1,357,068	1,359,023
Restricted to Access to Justice Program	<u>2,793,870</u>	<u>2,989,014</u>
Total Assets	<u>\$ 16,472,665</u>	<u>\$ 14,664,447</u>
Current Liabilities		
Accounts Payable	\$ 21,118	\$ 21,861
Accrued Expenses	39,065	59,338
Deferred Compensation Liability (Note 12)	81,833	158,248
Deferred Revenue	<u>1,274,430</u>	<u>1,069,155</u>
Total Current Liabilities	<u>1,416,446</u>	<u>1,308,602</u>
Net Assets		
Unrestricted		
IOLTA Program	2,629,997	3,215,746
Invested in Capital Assets	48,508	78,867
Board Designated Transition Fund (Note 14)	2,011,412	-
Pro Bono	87,162	99,501
Pro Hac Vice	912,112	631,371
Temporarily Restricted		
Access to Justice Program	<u>9,367,028</u>	<u>9,330,360</u>
Total Net Assets	<u>15,056,219</u>	<u>13,355,845</u>
Total Liabilities and Net Assets	<u>\$ 16,472,665</u>	<u>\$ 14,664,447</u>

The Accompanying Notes are an Integral Part of the Financial Statements

Pennsylvania Interest On Lawyers Trust Account Board

STATEMENT OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Revenues		
IOLTA Interest, Net of Service Charges of \$182,952 and \$218,586	\$ 3,136,466	\$ 3,086,362
Access to Justice Fees (Note 5)	9,771,547	10,569,953
Pro Bono Initiative Contributions (Note 6)	38,161	38,108
Pro Hac Vice (Note 7)	270,000	338,800
Lawyers Assessment Fees	2,236,540	2,214,175
Class Action Residuals	2,282,191	78,010
Homeowner Assistance Settlement Act (Note 8)	600,000	900,000
Investment Income	27,562	15,659
Other Interest and Service Charges, Net	18,589	18,810
Refund of Previous Years Grant	<u>228,647</u>	<u>-</u>
Total Revenues	<u>18,609,703</u>	<u>17,259,877</u>
Expenses		
Program		
Legal Service Organizations	14,397,512	15,611,664
Law Schools	1,600,000	1,586,629
Pro Bono Grants	50,500	52,500
Loan Repayment Assistance Program (LRAP)	<u>186,198</u>	<u>-</u>
Total Program (Note 9)	<u>16,234,210</u>	<u>17,250,793</u>
General and Administrative	<u>675,119</u>	<u>716,902</u>
Total Expenses	<u>16,909,329</u>	<u>17,967,695</u>
Change in Net Assets	1,700,374	(707,818)
Net Assets, Beginning of Year	<u>13,355,845</u>	<u>14,063,663</u>
Net Assets, End of Year	<u>\$15,056,219</u>	<u>\$13,355,845</u>

The Accompanying Notes are an Integral Part of the Financial Statements

Pennsylvania Interest On Lawyers Trust Account Board

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities		
Cash Received from		
IOLTA Interest	\$ 3,126,942	\$ 3,082,663
Access to Justice Fees	9,864,680	10,588,581
Pro Bono Initiative Contributions	38,161	38,108
Pro Hac Vice	270,000	338,800
Lawyers Assessment Fees	2,441,815	2,884,600
Class Action Residuals	2,282,191	78,010
Homeowner Assistance Settlement Act	600,000	900,000
Investment Income Received	27,562	15,659
Other Interest and Service Charges, Net	18,589	18,810
Refund of Previous Years Grants	228,647	-
Other Cash Receipts	(837)	-
Cash Paid to Grant Recipients	(16,421,718)	(17,709,458)
Cash Paid to Suppliers	(418,591)	(392,873)
Cash Paid to Employees	(329,012)	(422,137)
Net Cash and Cash Equivalents Provided (Used)	<u>1,728,429</u>	<u>(579,237)</u>
by Operating Activities		
Cash Flows from Investing Activities		
Change in Investments for Deferred Compensation Asset	76,415	41,203
Purchase of Capital Assets	(4,124)	(16,193)
Purchase of Certificates of Deposit	(3,364,480)	(6,855,000)
Proceeds from Redemption of Certificates of Deposit	<u>3,852,379</u>	<u>1,894,835</u>
Net Cash and Cash Equivalents Provided (Used)	<u>560,190</u>	<u>(4,935,155)</u>
by Investing Activities		
Increase (Decrease) in Cash and Cash Equivalents	2,288,619	(5,514,392)
Cash and Cash Equivalents, Beginning of Year	<u>7,005,140</u>	<u>12,519,532</u>
Cash and Cash Equivalents, End of Year	<u>\$ 9,293,759</u>	<u>\$ 7,005,140</u>
Reconciliation of Change in Net Assets to		
Net Cash and Cash Equivalents Used by Operating Activities		
Change in Net Assets	\$ 1,700,374	\$ (707,818)
Adjustments to Reconcile Change in Net Assets to Net Cash and		
Cash Equivalents Provided (Used) by Operating Activities		
Depreciation Expense	34,483	39,852
Changes in Assets and Liabilities:		
Accounts Receivable	82,772	14,929
Prepaid Expenses	(9,536)	1,747
Prepaid LRAP	(187,508)	-
Accounts Payable	(743)	(454,487)
Accrued Expenses	(20,273)	(102,682)
Deferred Compensation Liability	(76,415)	(41,203)
Deferred Revenue	<u>205,275</u>	<u>670,425</u>
Net Cash and Cash Equivalents Provided (Used)	<u>\$ 1,700,374</u>	<u>\$ (707,818)</u>
by Operating Activities		

The Accompanying Notes are an Integral Part of the Financial Statements

Pennsylvania Interest On Lawyers Trust Account Board

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization:

The IOLTA program was established by statute (P.L. 373, No. 59) on April 29, 1988. The statute permitted attorneys to establish IOLTA accounts for qualified funds they handled. On July 17, 1996, the Supreme Court of the Commonwealth of Pennsylvania suspended the statute and amended Rule 1.15 of the Pennsylvania Rules of Professional Conduct which governs Pennsylvania attorneys' handling of fiduciary funds. The amendment requires that substantially all Pennsylvania attorneys place all fiduciary funds they handle in interest-bearing accounts and that the interest earned inure to the benefit of clients, qualifying third parties, or is given to the IOLTA program. Effective September 1, 1996, the Pennsylvania Interest on Lawyers Trust Account Board (the Board) was established to administer this program through a nine-member Board, all of whom are appointed by the Supreme Court.

Basis of Accounting:

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

Basis of Presentation:

Net assets are classified in the following three components: invested in capital assets; restricted; and unrestricted. Invested in capital assets consists of all capital assets, net of accumulated depreciation. Restricted consists of net assets for which constraints are placed thereon by regulations and enabling legislation, less any related liabilities. Unrestricted consists of the net assets of the Board, which are not restricted for any project or other purpose.

Reporting Entity:

The Board's financial statements present the financial position and results of operations of the Board only. The Board does not exercise oversight responsibility for any other organization.

Restricted Resources:

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

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Pennsylvania Interest On Lawyers Trust Account Board

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Accounts Receivable:

Consistent with industry practice among governmental finance entities, the Board uses the reserve method of accounting for bad debts. Under this method, all uncollectible accounts are charged to the allowance account, and bad debt expense is determined by adjusting the balance in the allowance account to a reserve considered reasonable by management. Management determined that all outstanding balances owed at June 30, 2014 and 2013 are collectible and therefore have not established an allowance account.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Grants:

The amendment to the Pennsylvania Rules of Professional Conduct requires that IOLTA interest be used for the following purposes: 1) delivery of civil legal assistance to the poor and disadvantaged in Pennsylvania by non-profit corporations described in Section 501(c)(3) of the Internal Revenue Code; 2) educational legal clinical programs and internships administered by law schools located in Pennsylvania; 3) administration and development of the IOLTA program in Pennsylvania; and 4) the administration of justice in Pennsylvania. Grants are generally awarded on an annual basis and grant payments are disbursed on a semi-annual or quarterly basis.

Capital Assets:

Capital assets consisting of furniture, equipment, and software are recorded at cost. Depreciation policies reflect the use of the straight-line method with useful lives of three, five, or seven years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in non-operating revenue for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. Deductions are made for retirements resulting from the renewals or betterments.

Risk Management:

The Board is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance. There were no significant reductions in insurance coverage in fiscal years 2014 or 2013. There were no significant claims in the current year or the two prior years.

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Pennsylvania Interest On Lawyers Trust Account Board

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Deferred Revenue:

Income received in advance is deferred and recognized over the periods to which it relates.

Tax Status:

The Board is exempt from Federal Income Tax as provided by Code Section 501(c) (3) of the Internal Revenue Code. Donors are entitled to deductions for Federal Income Tax purposes for contributions made to the Board in accordance with the Internal Revenue Code. Accordingly, no income tax is incurred unless the Board earns income considered to be unrelated business income. The Board conducted no activities that are subject to income tax.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Association. Management evaluated the tax positions taken and concluded that the Association had taken no uncertain tax positions that require recognition or disclosure in the financial statements. No provision or benefit for income taxes has been included in these financial statements. With few exceptions, the Board is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before June 30, 2011.

NOTE 2 CASH AND CASH EQUIVALENTS

Under statute, the Board's deposits must be held in insured depositories. The Board may also invest in direct obligations of the U.S. Government and agencies thereof. The Board follows the policy of holding cash deposits in demand deposit and money market accounts of Pennsylvania financial institutions.

Custodial Credit Risk – Deposits:

Custodial credit risk is the risk that in the event of a bank failure, the Board's deposits may not be returned to them. The Board does not have a deposit policy for custodial credit risk. Protection of the total Board cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC) as well as by qualified securities pledged by the institution holding the assets.

The carrying amounts of the Board's deposits were \$9,293,759 and \$7,005,140, and the bank balances were \$8,742,610 and \$6,973,255, for the years ended June 30, 2014 and 2013, respectively.

(continued)

Pennsylvania Interest On Lawyers Trust Account Board

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Total balances are covered by federal depository insurance or by the pledge of securities which provide adequate collateral under the provisions of Act. No. 72.

NOTE 3 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2014 was as follows:

	Balance <u>6/30/13</u>	<u>Additions</u>	<u>Dispositions</u>	Balance <u>6/30/14</u>
Furniture and Equipment	\$ 92,848	\$ 1,463	\$ -	\$ 94,311
Software	<u>221,510</u>	<u>2,661</u>	<u>-</u>	<u>224,171</u>
	<u>\$ 314,358</u>	<u>\$ 4,124</u>	<u>\$ -</u>	<u>318,482</u>
Less: Accumulated Depreciation				<u>(269,974)</u>
Capital Assets, Net				<u>\$ 48,508</u>

Capital assets activity for the year ended June 30, 2013 was as follows:

	Balance <u>6/30/12</u>	<u>Additions</u>	<u>Dispositions</u>	Balance <u>6/30/13</u>
Furniture and Equipment	\$ 76,655	\$ 16,193	\$ -	\$ 92,848
Software	<u>221,510</u>	<u>-</u>	<u>-</u>	<u>221,510</u>
	<u>\$ 298,165</u>	<u>\$ 16,193</u>	<u>\$ -</u>	<u>314,358</u>
Less: Accumulated Depreciation				<u>(235,491)</u>
Capital Assets, Net				<u>\$ 78,867</u>

The useful lives for purposes of computing depreciation are as follows:

Furniture and Equipment	3-7 Years
Software	3-5 Years

Depreciation expense of \$34,483 and \$39,852 was recorded for the years ended June 30, 2014 and 2013, respectively.

(continued)

Pennsylvania Interest On Lawyers Trust Account Board

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

NOTE 4 IOLTA REVENUE

Lawyers throughout Pennsylvania have established special interest-bearing IOLTA accounts with their local depository institutions for funds received by the lawyers in a fiduciary capacity which cannot practically be invested to benefit the owner of the funds. The depository institutions transfer IOLTA interest earnings, net of service charges, to the Board. The Board uses these funds to make grants to not-for-profit corporations which operate in Pennsylvania, whose primary purpose is to provide civil legal services without charge to eligible clients. The Board can also provide grants to law schools in Pennsylvania for educational legal clinical programs and internships, and administration of justice. All of the Board's grants are directed to the provision of civil legal services for the poor and disadvantaged.

Lawyers Assessment Fees Revenue and Class Action Residuals Revenue are court-directed revenues and as such are treated as IOLTA Revenue.

NOTE 5 ACCESS TO JUSTICE REVENUE

With the passage of Act 122 in 2002, an additional fee of \$10, starting November 1, 2002, was authorized to be charged and collected by prothonotaries, clerks of courts, clerks of orphans' courts, registers of wills, recorders of deeds, and the minor judiciary including district justices, Philadelphia Municipal Court, Philadelphia Traffic Court, and Pittsburgh Magistrates Court, on certain civil and criminal courthouse filings. In criminal matters the additional fee is collected if a conviction is obtained or a guilty plea is entered. Proceeds from the additional fees are transferred by the collecting authority to the Pennsylvania Department of Revenue for deposit into either the Judicial Computer System Augmentation Account (JCSAA) or the Access to Justice Account (AJA). The split of the collections between the two accounts is as follows:

<u>Fiscal Years Ended June 30:</u>	<u>JCSAA</u>	<u>AJA</u>
2004	85%	15%
2005	85%	15%
2006	80%	20%
2007 and Thereafter	80%	20%

AJA (Act 49) was signed into law in October of 2009, and provides a supplemental (temporary) filing fee of \$1 on the same courthouse filings as Act 122, excluding traffic citations.

(continued)

Pennsylvania Interest On Lawyers Trust Account Board

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Act 122 is scheduled to sunset on November 1, 2017 and Act 49 is scheduled to sunset on December 31, 2014. Funds in the AJA are distributed monthly to the Pennsylvania Interest on Lawyers Trust Account Board for the provision of civil legal assistance for the Commonwealth's poor. The Board earned collections totaling \$9,771,547 and \$10,569,953 relating to the AJA during the years ended June 30, 2014 and 2013, respectively.

NOTE 6 PRO BONO INITIATIVE CONTRIBUTIONS AND GRANT EXPENSES

In June 2001, the Chief Justice of the Supreme Court of Pennsylvania asked lawyers licensed to practice law in Pennsylvania to voluntarily contribute at least \$50 each to help fund the infrastructure necessary for organized county-based pro bono programs. The Board received contributions totaling \$38,161 and \$38,108 as a result of the appeal during the years ended June 30, 2014 and 2013, respectively. Grants to pro bono programs totaled \$50,500 and \$52,500 during the years ended June 30, 2014 and 2013, respectively.

NOTE 7 PRO HAC VICE ADMISSIONS AND GRANTS

On June 29, 2007, the Supreme Court of Pennsylvania established an admission fee for out-of-state attorneys who wished to make an appearance in a Pennsylvania court. The out-of-state attorneys are not licensed to practice in Pennsylvania, and pro hac vice (PHV) admission allows them to make a limited appearance. PHV is a Latin term meaning "for this particular occasion." The regulations of the IOLTA Board require each attorney to pay \$200 for each case for which pro hac vice admission is sought. The admission fee covers the attorney for the case of its proceedings in Pennsylvania courts, including through appeals.

During March 2010, the Board recommended, and during June 2010, the Supreme Court of Pennsylvania approved a three-year \$510,000 grant to The Pennsylvania Bar Foundation to be used for a Loan Repayment Assistance Program (LRAP) for the grant period July 1, 2010 through June 30, 2013. During July 2011, the Board increased the LRAP grant to \$1,074,430. During 2013, the Board extended the grant's end date to December 31, 2013.

During March 2013, the Board recommended, and during June 2013, the Supreme Court of Pennsylvania approved a three-year \$1,050,858 grant to The Pennsylvania Bar Foundation to be used for a Loan Repayment Assistance Program (LRAP) for the grant period January 1, 2014 through December 31, 2016.

(continued)

Pennsylvania Interest On Lawyers Trust Account Board

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

NOTE 8 HOMEOWNER ASSISTANCE SETTLEMENT ACT (HASA)

In June 2012, the Homeowner Assistance Settlement Act (“HASA”), Act 70 of 2012, became law. The Act allocated \$900,000 for fiscal year ended June 30, 2013 and \$600,000 for each of the next four years to the Access to Justice Account for civil legal assistance related to housing issues. The funding flows through the Access to Justice Account but is accounted for separately.

NOTE 9 TOTAL GRANT AWARDS

During March 2012, the Board recommended, and during June 2012, the Supreme Court of Pennsylvania approved grant awards totaling \$15,235,213 for grant year ended June 30, 2013. Adjustments to grant awards were made in November 2012 with the Court’s approval. During March 2013, the Board recommended, and during June 2013, the Supreme Court of Pennsylvania approved grant awards totaling \$17,098,870 for grant year ended June 30, 2014. Total grants awarded by the Board, net of rescissions, amounted to \$16,234,210 and \$17,250,793, during the years ended June 30, 2014 and 2013, respectively.

The following revenue sources and amounts financed the grant awards for the grant years ended June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
IOLTA Revenues	\$ 5,748,668	\$ 6,647,488
AJA Revenues	9,659,805	9,659,805
HASA Revenues	589,039	891,000
Pro Bono Initiative Contributions	50,500	52,500
Pro Hac Vice Fees	<u>186,198</u>	-
Total	<u>\$ 16,234,210</u>	<u>\$ 17,250,793</u>

NOTE 10 LEASES

The Board rents office space in the Pennsylvania Judicial Center. The Board was assessed shared occupancy costs totaling \$34,901 for the years ended June 30, 2014 and 2013. The Board is assessed a monthly occupancy fee which includes rent and related occupancy costs.

(continued)

Pennsylvania Interest On Lawyers Trust Account Board

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

NOTE 11 RETIREMENT PLAN

The Board sponsors a 403(b) retirement plan for employees. Employer contributions totaled \$37,682 and \$49,377 to the plan for the years ended June 30, 2014 and 2013, respectively.

NOTE 12 DEFERRED COMPENSATION PLAN

During the year ended June 30, 2004, the Board entered into a deferred compensation agreement with the previous Executive Director. The deferred compensation is to be paid to the previous Executive Director or his heirs in three substantially equal annual installments equal to the fair market value of the assets in the Rabbi Trust as of that date. The Board has funded \$81,833 and \$158,248 for the agreement at June 30, 2014 and 2013, respectively. This Executive Director retired in 2012 and for the years ended June 30, 2014 and 2013 was paid in installments of \$76,415 and \$79,372, respectively.

NOTE 13 ADVERTISING

The Board expenses advertising costs as incurred. Advertising costs were \$829 and \$928 for the years ended June 30, 2014 and 2013, respectively.

NOTE 14 BOARD DESIGNATED TRANSITION FUND

On October 31, 2013, the Board established a fund to effectuate a fundamental change in the methodology used for grant-making. Grant awards are financed with revenue projected to be received during the grant year. As interest rates and thus IOLTA revenue declined over the past several years, projected revenue was not realized, negatively impacting the Board's modest net assets which threatened capacity for future grant-making. To eliminate the risks associated with the use of projected revenue, the transition fund, once adequate to do so, will initiate grant-making financed with collected revenue.

NOTE 15 SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 25, 2014, which is the date the financial statements were available to be issued.

Pennsylvania Interest On Lawyers Trust Account Board

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES AND PROPERTY ACQUISITIONS - BUDGET & ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>General</u>	<u>Access to Justice</u>	<u>Pro Hac Vice</u>	<u>Property</u>	<u>Total</u>	<u>Budget (Unaudited)</u>
General and Administrative						
Personnel						
Wages	\$ 250,318	\$ 70,960	\$ -	\$ -	\$ 321,278	\$ 363,184
Fringe Benefits	<u>77,477</u>	<u>16,912</u>	<u>-</u>	<u>-</u>	<u>94,389</u>	<u>125,977</u>
Total Personnel	<u>327,795</u>	<u>87,872</u>	<u>-</u>	<u>-</u>	<u>415,667</u>	<u>489,161</u>
Advertising	655	174	-	-	829	1,000
Consultants & Contract Services	75,817	20,154	9,075	-	105,046	115,550
Office Supplies	4,243	1,128	-	-	5,371	5,800
Postage	2,067	549	-	-	2,616	3,600
Printing & Promotion	4,760	565	-	-	5,325	7,600
Rent	27,572	7,329	-	-	34,901	36,000
Telephone	1,684	448	-	-	2,132	4,700
Travel & Meetings	30,677	8,154	-	-	38,831	36,000
Depreciation	-	-	-	34,483	34,483	34,275
Insurance	6,405	1,702	-	-	8,107	8,400
Other		<u>4,380</u>	<u>-</u>	<u>-</u>	<u>21,811</u>	<u>20,050</u>
Total General and Administrative Expenses	<u>\$ 499,106</u>	<u>\$ 132,455</u>	<u>\$ 9,075</u>	<u>\$ 34,483</u>	<u>\$ 675,119</u>	<u>\$ 762,136</u>
Property Acquisitions						
Furniture, Equipment & Leaseholds Purchased	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,124</u>	<u>\$ 4,124</u>	<u>\$ 20,000</u>

Pennsylvania Interest On Lawyers Trust Account Board

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES AND PROPERTY ACQUISITIONS - BUDGET & ACTUAL FOR THE YEAR ENDED JUNE 30, 2013

	<u>General</u>	<u>Access to Justice</u>	<u>Property</u>	<u>Total</u>	<u>Budget (Unaudited)</u>
General and Administrative Expenses					
Personnel					
Wages	\$ 263,631	\$ 73,807	\$ -	\$ 337,438	\$ 420,013
Fringe Benefits	<u>95,545</u>	<u>21,304</u>	<u>-</u>	<u>116,849</u>	<u>141,466</u>
Total Personnel	<u>359,176</u>	<u>95,111</u>	<u>-</u>	<u>454,287</u>	<u>561,479</u>
Advertising	733	195	-	928	2,000
Consultants & Contract Services	62,040	16,491	-	78,531	74,750
Office Supplies	3,659	972	-	4,631	8,000
Postage	2,549	678	-	3,227	4,800
Printing & Promotion	4,899	16,563	-	21,462	7,600
Rent	27,572	7,329	-	34,901	37,200
Telephone	4,807	1,278	-	6,085	6,000
Travel & Meetings	31,728	8,434	-	40,162	36,000
Depreciation	-	-	39,852	39,852	47,000
Insurance	6,609	1,757	-	8,366	8,250
Other	<u>19,331</u>	<u>5,139</u>	<u>-</u>	<u>24,470</u>	<u>17,350</u>
Total General and Administrative Expenses	<u>\$ 523,103</u>	<u>\$ 153,947</u>	<u>\$ 39,852</u>	<u>\$ 716,902</u>	<u>\$ 810,429</u>
Property Acquisitions					
Furniture, Equipment & Leaseholds Purchased	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,193</u>	<u>\$ 16,193</u>	<u>\$ 35,000</u>

Pennsylvania Interest On Lawyers Trust Account Board

DETAILED SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	General	Access to Justice	Pro Bono Initiative	Pro Hac Vice	Property	Total 2014	Total 2013
Revenues							
IOLTA Interest, Net of Service Charges of \$218,586 and \$219,694	\$3,136,466	\$ -	\$ -	\$ -	\$ -	\$ 3,136,466	\$3,086,362
Access to Justice Fees	-	9,771,547	-	-	-	9,771,547	10,569,953
Pro Bono Initiative Contributions	-	-	38,161	-	-	38,161	38,108
Pro Hac Vice	-	-	-	270,000	-	270,000	338,800
Lawyers Assessment Fees	2,236,540	-	-	-	-	2,236,540	2,214,175
Class Action Residuals	2,282,191	-	-	-	-	2,282,191	78,010
Homeowner Assistance Settlement Act	-	600,000	-	-	-	600,000	900,000
Investment Income	27,562	-	-	-	-	27,562	15,659
Other Interest and Service Charges, Net	(6,064)	24,653	-	-	-	18,589	18,810
Refund of Previous Years Grant	-	22,633	-	206,014	-	228,647	-
Total Revenues	<u>7,676,695</u>	<u>10,418,833</u>	<u>38,161</u>	<u>476,014</u>	<u>-</u>	<u>18,609,703</u>	<u>13,656,315</u>
Expenses							
Program							
Legal Service Organizations	4,148,668	10,248,844	-	-	-	14,397,512	15,611,664
Law Schools	1,600,000	-	-	-	-	1,600,000	1,586,629
Pro Bono Grants	-	-	50,500	-	-	50,500	52,500
Loan Repayment Assistance Program (LRAP)	-	-	-	186,198	-	186,198	-
Total Program	<u>5,748,668</u>	<u>10,248,844</u>	<u>50,500</u>	<u>186,198</u>	<u>-</u>	<u>16,234,210</u>	<u>17,250,793</u>
General and Administrative	<u>499,106</u>	<u>132,455</u>	<u>-</u>	<u>9,075</u>	<u>34,483</u>	<u>675,119</u>	<u>716,902</u>
Total Expenses	<u>6,247,774</u>	<u>10,381,299</u>	<u>50,500</u>	<u>195,273</u>	<u>34,483</u>	<u>16,909,329</u>	<u>17,967,695</u>
Change in Net Assets	1,428,921	37,534	(12,339)	280,741	(34,483)	1,700,374	(707,818)
Reclassification of Net Assets	(3,258)	(866)	-	-	4,124	-	-
Acquisition of Property							
Net Assets, Beginning of Year	3,215,746	9,330,360	99,501	631,371	78,867	13,355,845	14,063,663
Net Assets, End of Year	<u>\$4,641,409</u>	<u>\$9,367,026</u>	<u>\$ 87,162</u>	<u>\$ 912,112</u>	<u>\$ 48,508</u>	<u>\$15,056,219</u>	<u>\$13,355,845</u>

Pennsylvania Interest On Lawyers Trust Account Board

SCHEDULE OF GRANT RECIPIENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Legal Service Organizations		
AIDS Law Project	\$ 30,000	\$ 32,100
Allegheny County Bar Foundation	72,800	72,800
CASA of Allegheny County	39,500	39,500
Community Justice Project	150,148	82,600
Consumer Bankruptcy Assistance Project	49,200	47,800
Disability Rights Network of Pennsylvania	48,200	45,700
Education Law Center	47,300	44,800
Franklin County Legal Services	21,000	17,800
HIAS & Council Migration Services of Philadelphia	31,800	30,850
Homeless Advocacy Project	28,500	27,630
Juvenile Law Center	40,600	38,500
Kids Voice Pennsylvania, Inc.	55,600	55,600
Lackawanna Pro Bono, Inc.	32,000	32,000
Laurel Legal Services, Inc.	53,500	56,500
Legal Aid of Southeastern PA	167,800	136,100
Legal Clinic for the Disabled, Inc.	33,300	32,310
Legal Services for Immigrants and Internationals	36,600	36,600
Mid-Penn Legal Services	154,381	146,000
Montgomery Child Advocacy Project	34,752	28,200
Neighborhood Legal Services Association	53,500	56,500
North Penn Legal Services	200,000	200,000
Northwestern Legal Services	77,000	65,000
PA Health Law Project	82,725	63,800
PA Immigration Resource Center	167,600	118,900
Pennsylvania Legal Aid Network, Inc.	12,126,691	13,580,299
Philadelphia Legal Assistance Center, Inc.	23,900	23,170
Philadelphia Volunteer Lawyers for the Arts	4,770	4,625
Philadelphia Volunteers for the Indigent Program	91,750	85,750
Protection from Abuse Coordinated Services, Inc.	53,400	45,980
Public Interest Law Center of Philadelphia	40,195	38,100
Regional Housing Legal Services	43,700	43,700
Senior Law Center	75,600	51,900
Southwestern Pennsylvania Legal Services, Inc.	53,500	56,500
Support Center for Child Advocates	76,100	73,900
Westmoreland Bar Foundation	24,200	25,200
Women Against Abuse Legal Center	31,800	30,850
Women's Center & Shelter Civil Law Project	<u>44,100</u>	<u>44,100</u>
Total Legal Services Organizations	<u>14,397,512</u>	<u>15,611,664</u>

(continued)

Pennsylvania Interest On Lawyers Trust Account Board

SCHEDULE OF GRANT RECIPIENTS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Law Schools		
Pennsylvania State University, Dickinson School of Law	200,000	200,000
Drexel University, Earle Mack School of Law	200,000	200,000
Duquesne University School of Law	200,000	200,000
Temple University, Beasley School of Law	200,000	200,000
University of Pennsylvania School of Law	200,000	200,000
University of Pittsburgh School of Law	200,000	186,629
Villanova University School of Law	200,000	200,000
Widener University School of Law	<u>200,000</u>	<u>200,000</u>
Total Law Schools	<u>1,600,000</u>	<u>1,586,629</u>
Pro Bono Grants		
Alice Paul House	10,000	-
Butler County Bar Association	-	6,000
Chester County Bar Association	2,500	2,500
Cumberland County Bar Association	8,000	10,000
Delaware County Bar Association	10,000	14,000
Face-to-Face Legal Center	-	5,000
Monroe County Bar Association	-	10,000
Washington County Bar Association	10,000	5,000
Women's Center and Shelter of Greater Pittsburgh	<u>10,000</u>	<u>-</u>
Total Pro Bono Grants	<u>50,500</u>	<u>52,500</u>
Loan Repayment Assistance Program (LRAP)	<u>186,198</u>	<u>-</u>
Total Grant Awards	<u>\$ 16,234,210</u>	<u>\$ 17,250,793</u>