



MASSACHUSETTS
INTEREST ON
LAWYERS TRUST
ACCOUNTS
COMMITTEE

Annual Report
2021



Statement from the Chair:

I am pleased to present to the Supreme Judicial Court the 2021 Annual Report of the Massachusetts Interest on Lawyers Trust Account (IOLTA) Committee.

In 2021, the IOLTA Committee welcomed Jenna Miara as its new executive director following the retirement of Jayne Tyrell, who had been in the role for more than 30 years. Building on an excellent record of diversifying sources and increasing amounts of IOLTA funding we are poised for an exciting new year.

As the need for legal assistance intensified during the pandemic, the IOLTA program continued to generate essential resources for civil legal services and improvements to the administration of justice in Massachusetts.

More than 700,000 Massachusetts residents are eligible for free legal aid because their household income is at or below 125% of the federal poverty line - \$33,125 a year for a family of four. But insufficient funding forces legal aid organizations to turn away nearly 60% of eligible people who seek help. Low-income, non-native English speakers, seniors, rural residents, people with disabilities, and others continue to face particular challenges in accessing justice. Massachusetts relies on a small cadre of dedicated civil legal services providers and administration of justice projects to improve access to justice. Their efforts are funded by a variety of sources, including IOLTA grants distributed by the Boston Bar Foundation, the Massachusetts Bar Foundation, and the Massachusetts Legal Assistance Corporation.

The IOLTA Committee provides critical funding to help close the justice gap in Massachusetts. Since its inception in 1985, the IOLTA Committee has distributed more than \$358 million. In 2021, more than \$7 million was interest income. In addition, funds from opt-out registration fees, *pro hac vice*, and *cy pres* amounted to almost \$2.3 million. The Committee also continues to work with the Court and Board of Bar Overseers to implement the Court's Olchowski decision, which directed funds previously treated as abandoned to the IOLTA Committee. In 2021, the Committee received nearly \$1.4 million as a result of Olchowski, which was a boon for legal services in a challenging year. These funds provide critically needed legal assistance in matters such as housing, elder care, domestic violence, child custody, employment, food, and other basic human needs.

The Committee expresses its deep appreciation to the Supreme Judicial Court for the Court's dedication to and support for improving access to justice in Massachusetts. With the essential support of the Court and our partners in the bar, the IOLTA Committee is committed to improving the administration of justice and ensuring that legal services programs address the unmet civil legal needs of low-income and underserved residents of the Commonwealth.

Michael D. Badger

MASSACHUSETTS IOLTA PROGRAM OVERVIEW

The Supreme Judicial Court created the Interest on Lawyers' Trust Accounts (IOLTA) program in 1985 by adding DR 9-102 (C) under Rule 3:07. On January 1, 1998, DR 9-102 (C) was replaced by Rule 1.15 (e) of the Massachusetts Rules of Professional Conduct. Originally voluntary, the SJC converted IOLTA to a "comprehensive" program in 1990. As a result, lawyers holding funds on a client's behalf must place the funds either in an account that pays interest to the client or in an IOLTA account. An IOLTA account is selected if the funds are relatively modest or will be held by the lawyer for only a short period: in either of these situations, the interest that might be earned for the client would be less than the cost of establishing and maintaining an account for the benefit of the client.

MISSION STATEMENT

The mission of the IOLTA Committee is to increase access to justice for all residents of the Commonwealth by funding and supporting programs that provide civil legal services for low- and moderate-income residents and initiatives that improve the administration of justice.

THE CHARITABLE ENTITIES

The Boston Bar Foundation and the Massachusetts Bar Foundation are each governed by a board of trustees and have a long tradition of supporting a variety of public service activities. They have directed IOLTA funds toward activities such as alternative dispute resolution projects, judicial education, and pro bono attorney programs, as well as toward direct support of legal services programs. The Massachusetts Legal Assistance Corporation (MLAC) was established in 1983 by the Legislature to provide funds for civil legal assistance to low-income people throughout Massachusetts. It is governed by an eleven-member board of directors, ten of whom are appointed by the Supreme Judicial Court. The eleventh member is the Chief Justice for Administration and Management of the Trial Court or that Justice's designee. In addition to IOLTA funds, MLAC distributes state appropriated funds and other grants to legal services providers.

IMPORTANCE OF THE PROGRAM

Since the IOLTA program was created, the legal needs of low-income people have grown in both scope and complexity. The nature of poverty has also changed. An increasing number of low-income people work at low-paying jobs with no health insurance and few workplace protections, and they lack childcare and adequate transportation resources. A disproportionate slice of their income goes to housing that, because of short supply, is often both costly and substandard. These difficult circumstances and widening inequalities were compounded by the COVID-19 pandemic, which exposed already vulnerable Massachusetts residents to greater risk of eviction, unemployment, debt, food insecurity, domestic violence, and illness. As court and other services moved online, the pandemic also laid bare the digital divide, language and disability access barriers, and other challenges to the equitable and efficient administration of justice in Massachusetts. IOLTA funds are essential to addressing these challenges and making access to justice a reality for all because they provide significant revenues for legal aid and administration of justice programs in the Commonwealth.

IOLTA AND THE COMMUNITY REINVESTMENT ACT STATEMENT

In 1977, the Community Reinvestment Act (CRA) was established to encourage financial institutions to help meet the credit needs of the communities in which they operate, especially low-to-moderate income neighborhoods. A financial institution's CRA statement is assessed by many factors. If a financial institution wishes to achieve an outstanding record of meeting community needs as rated by federal and state regulators, it is essential that the institution's activities foster local community revitalization. Increasing IOLTA proceeds available for disbursement can benefit the local community through increased contributions to community development organizations and programs. The Committee has designed and distributed a pamphlet explaining how banks can support IOLTA under the CRA.

SUPPORT OF THE BANKING COMMUNITY

The IOLTA program would not be able to fill its vital role in sustaining critical programs throughout the Commonwealth without the participation and support of Massachusetts financial institutions. For over thirty years, Massachusetts banks and credit unions have voluntarily partnered with the IOLTA Committee to create this vital resource. In 2021, almost 200 banking institutions across the state maintained over 18,000 IOLTA accounts. The interest earned from these accounts helps meet the accelerating demand for civil legal services in the Commonwealth.

Throughout the year the IOLTA Committee works with individual financial institutions, the Massachusetts Bankers Association, and lawyers and law firms to insure the smooth and efficient operation of the program, and that IOLTA accounts are earning the maximum possible under Supreme Judicial Court Rules. As a result of the participation and cooperation of these participants, the Massachusetts IOLTA program has enjoyed tremendous success and is a national model for IOLTA programs.

Particularly with the ongoing challenges of COVID-19 this past year, we would like to thank our banking partners once again for making the Massachusetts IOLTA program so successful. Thousands of Massachusetts residents received the critical legal services they desperately needed because of our partnership. Those financial institutions that go above and beyond the basic requirements for participation to provide an even higher level of resources to IOLTA are called Leadership Banks. We encourage Massachusetts attorneys to consider a Leadership Bank for their IOLTA funds when possible.

IOLTA Institutions

More than 95 percent of the banks in the Commonwealth participate in IOLTA and many waive service fees as part of their public service commitment. The IOLTA Committee gratefully acknowledges the participation and cooperation of all the financial institutions and offers its very special thanks to those institutions which have waived their normal service fees to the IOLTA program to show their support of this worthy community program.

IOLTA institutions include all financial institutions that are eligible to maintain IOLTA accounts, having been certified as in compliance with the interest rate comparability and other provisions of the IOLTA Guidelines revised in 2006. "Leadership Institutions" are those that go above and beyond the eligibility requirements of the Rule by paying a net interest rate on all IOLTA funds of at least 1.00% APR. Leadership institutions play an important role in supporting the IOLTA program in its mission to ensure that low-income Massachusetts residents have access to critically needed legal aid.

Attorneys may establish IOLTA accounts with the following Massachusetts institutions:

Abington Bank	East Cambridge Savings Bank	Middlesex Savings Bank
Adams Community Bank *	East West Bank	Milford Federal Bank
Alden Credit Union	Eastern Bank	Millbury Federal Credit Union
Athol Savings Bank *	Easthampton Savings Bank	Millbury National Bank
Avidia Bank *	Enterprise Bank	Monson Savings
Bank of America	Envision Bank	MountainOne Bank
Bank of Canton	ETHIC a Wealth Bank	MutualOne Bank
Bank of Easton	Everett Bank *	National Grand Bank
Bank of New England *	Fidelity Bank	Naveo Credit Union *
BankFive *	First American Trust	NBT Bank
BankGloucester	First Citizens Federal Credit Union	Needham Bank
Bay State Savings Bank	First Priority Credit Union	New Valley Bank & Trust
BayCoast Bank *	First Republic Bank	Newburyport Five Cents Savings Bank
Berkshire Bank	Florence Bank	North Brookfield Savings Bank
Bluestone Bank	Freedom Credit Union *	North Cambridge Co-Operative Bank *
Boston Private Bank & Trust Company	GFA Federal Credit Union	North Easton Savings Bank
Bridgewater Credit Union	Greenfield Cooperative Bank	North Shore Bank
Bristol County Savings Bank *	Greenfield Savings Bank	NorthEast Community Bank
Brookline Bank *	Greylock Federal Credit Union *	Northern Bank
Brotherhood Credit Union	HarborOne Bank	Northern Trust Company
Cambridge Savings Bank	Haverhill Bank	Northmark Bank
Cambridge Trust Company	Hingham Institution for Savings	Norwood Bank
Canton Co-operative Bank	Holyoke Credit Union	OneUnited Bank
Cape Cod Five	Homefield Credit Union	Patriot Community Bank
Central One Federal Credit Union *	Hometown Bank	PCT Federal Credit Union
Charles River Bank	Institution for Savings *	Pentucket Bank
Citibank	J.P. Morgan Chase N.A.	People's United Bank
Citizens Bank	Jeanne D'Arc Credit Union	PeoplesBank *
Clinton Savings Bank	KeyBank	Pittsfield Cooperative Bank (The)
Coastal Heritage Bank	Leader Bank	Polish National Credit Union *
Colonial Federal Savings Bank	Lee Bank *	Provident Bank
Community Bank NA *	Leominster Credit Union *	Quincy Credit Union*
Cooperative Bank (The)	Lowell Five Bank	Radius Bank
Cooperative Bank of Cape Cod (The) *	Main Street Bank	Reading Cooperative Bank
Cornerstone Bank	Marblehead Bank	River Works Credit Union *
Country Bank	Martha's Vineyard Savings Bank	Rockland Trust
Dean Bank	Mass Bay Credit Union	Rollstone Bank & Trust *
Dedham Savings	Mechanics Cooperative Bank	Salem Co-operative Bank
Direct Federal Credit Union	Methuen Cooperative Bank	Salem Five Cents Savings Bank
Eagle Bank	Middlesex Federal Savings	Salisbury Bank & Trust Co

* Leadership Institution

Santander Bank
Savers Bank
Savings Bank (The)
Seamen's Bank
Sharon Credit Union *
Shrewsbury Federal Credit Union
Somerset Federal Credit Union
South Coast Federal Credit Union *
South Shore Bank
SouthernMass Credit Union
St. Anne's Credit Union

St. Jean's Credit Union *
St. Mary's Credit Union *
StonehamBank
Stoughton Co-operative Bank
Taunton Federal Credit Union
TD Bank
UniBank *
Village Bank (The)
Wakefield Co-operative Bank
Walpole Co-operative Bank
Washington Savings Bank *

Watertown Savings Bank
Webster Bank
Webster First Federal Credit Union
Webster Five
Westfield Bank *
Winchester Co-operative Bank
Winchester Savings Bank
Winter Hill Bank
Workers Credit Union
Wrentham Cooperative Bank

IOLTA GRANTS AND PROGRAM OVERVIEWS¹

STATEWIDE

\$3,846,442 to 20 organizations

Statewide organizations specialize in specific subjects or types of law and serve people across the Commonwealth. Statewide organizations and programs also provide support to regional organizations, including subject-matter expertise, technology services, and other programmatic assistance.

Access to Justice Commission: \$138,612

Strives to achieve equal justice for all persons in the Commonwealth by providing leadership and vision to, and coordination with, the many organizations and interested persons involved in providing and improving access to justice for those unable to afford counsel.

Center for Law and Education: \$7,886

Provides training, research, and co-counseling to parents, students, and their advocates regarding special education, with an emphasis on assistance to low-income students. Funds support the organization's technology needs.

Center for Public Representation: \$13,436

Provides back up and support to other legal services programs representing mentally disabled persons. Funds support the organization's technology needs.

Central Technology Program: \$1,727,220

Provides centralized technology services, hardware, software, telephonic services, storage and data warehousing and all other technology services to the legal aid community.

Children's Law Center of Massachusetts: \$70,365

Aims to promote and secure equal justice and to maximize opportunity for low-income children and youth by providing quality educational and legal services. Services include direct representation, information and referral, technical assistance and training to attorneys, parents, and youth-serving professionals; community outreach and education; and systemic advocacy.

Disability Law Center: \$15,872

Provides legal representation to low-income children and adults with mental and physical disabilities as well as technical assistance, support and back up to local legal services programs. Funds support the organization's technology needs.

¹ Grants of IOLTA funds made by MLAC, BBF, and MBF during the 2020-2021 grant cycle.

Diversity, Equity, and Inclusion Initiative: \$133,863

Improves services to low-income clients by building cultural competence, addressing diversity-related issues, and promoting equity. Through education and training, improved hiring practices, statewide events, and collaboration, this initiative spurs legal aid organizations to reflect the diversity of their clients and exemplify shared values of justice and fairness. Hosts an annual conference.

Equal Justice Coalition: \$333,954

Advocates for expanded access to civil legal aid for low-income Massachusetts residents. The Coalition includes bar associations, law firms, law schools, legal aid organizations, and social service agencies who work together to protect and increase the state appropriation for civil legal aid.

Flaschner Judicial Institute: \$165,000

Provides educational programs designed specifically for judges.

Health Law Advocates, Inc.: \$15,000

The Medical Legal Partnership for Immigrants increases access to healthcare for low-income immigrants by providing them with direct legal services to help them enroll in MassHealth and receive coverage for specific services. Also provides community education workshops and online toolkit with information about immigrants' healthcare rights.

JRI Health Law Institute: \$15,000

Provides legal assistance to indigent people living with HIV/AIDS, primarily in southeastern and western Massachusetts. Project lawyers provide representation on matters involving vital needs such as access to disability benefits, housing, and health insurance.

Lawyers Clearinghouse

- **General Support: \$10,730**
Harnesses the power of Massachusetts legal professionals to strengthen communities by connecting Massachusetts nonprofits and the homeless with pro bono lawyers.
- **Legal Referral Program: \$5,000**
Matches pro bono legal counsel with nonprofit organizations in need of but unable to afford legal assistance. Pro bono assistance is provided to eligible organizations that serve low-to-moderate income people or serve a compelling community need.
- **Legal Clinic for the Homeless Program: \$15,000**
Volunteer attorneys conduct legal services clinics at homeless shelters.

Massachusetts Advocates for Children

- **General Support: \$7,153**
Removes barriers to educational and life opportunities for children and youth by advocating for and partnering with students and families; transforms school culture

to be inclusive, safe and supportive; and creates systemic change so all children and youth can learn, reach their potential, and thrive.

- **Children's Law Support and Education Justice Project: \$40,000**

Addresses the needs of Massachusetts children from low-income families who face barriers to equal educational opportunities by providing in-house and pro bono legal advice and representation. Also conducts systemic advocacy and provides training and support to private attorneys and advocates.

Massachusetts Appleseed Center for Law & Justice: \$1,788

Promotes equal rights and opportunities for Massachusetts residents by developing and advocating for systemic solutions to social justice issues.

Massachusetts Immigrant and Refugee Advocacy Coalition (MIRA): \$10,000

Provides an in-depth, 40-hour training on immigration law to staff at nonprofit organizations. After the training, MIRA supports training participants through the process of applying for recognition and accreditation through the DOJ's Office of Legal Access Programs (formerly managed by the Board of Immigration Appeals).

Massachusetts Law Reform Institute (MLRI)

- **General Support: \$32,189**

Provides statewide advocacy and leadership in advancing laws, policies, and practices that secure economic, racial, and social justice for low-income people and communities.

- **Housing Justice Project: \$20,000**

Seeks to achieve housing justice in Massachusetts through a multi-pronged systemic advocacy agenda, including: 1) Advocating for a statewide Right to Counsel for low-income tenants and landlords in eviction cases, and 2) Equitable development and affordable housing preservation advocacy.

- **Language Access: \$100,000**

Further language access for underserved communities in Massachusetts through advocacy, trainings, and support for legal aid organizations.

- **Legal Aid Websites Project: \$410,253**

Provides online legal information and other resources to the general public and to the Massachusetts advocacy community through several websites.

- **Mass Legal Answers Online: \$10,000**

Supports a virtual legal helpline that allows low-income clients statewide to pose questions regarding civil legal issues via a secure website that will be answered online by pro bono attorneys.

- **Statewide Immigration Crisis Response Project: \$25,000**
Defends and protects the rights of low-income immigrants by developing systemic responses to challenge unlawful/harmful policies; developing local and state policies to mitigate federal level impacts; and providing guidance, trainings, and substantive expertise on changing law, policies, and regulations.
- **Technology Grant: \$101,511**
Funds support the organization's technology needs.

Political Asylum Immigration Representation (PAIR)

- **Detention Center Initiative: \$52,000**
Advises and represents detained immigrants seeking asylum, waivers, and other relief in Immigration Court, and release on bond, parole, and habeas corpus petitions in federal court. Also conducts Know Your Rights presentations to detainees, refers clients to its pro bono and reduced fee panels, and trains attorneys on detainee issues.
- **General Support: \$53,648**
Provides free legal services to asylum seekers and promotes the rights of detained immigrants.
- **Pro Bono Asylum Project: \$68,000**
Represents immigrants seeking political asylum by combining the resources of the private bar, law schools, and nonprofit agencies. Also compiles an extensive training manual and conducts numerous training sessions for its pro bono attorney panel.

Prisoners' Legal Services

- **Bart Gordon Fellowship: \$50,000**
Provides funding for a recent law school graduate equipped to assist underserved communities.
- **Chronic and Infectious Disease Project: \$50,000**
Aims to ensure that prisons and jails identify, provide treatment for, and accommodate prisoners with chronic illness and mental health issues, including Hepatitis C, HIV, MRSA, MS, diabetes, asthma, hypertension, and many others.
- **General Support: \$39,342**
Promotes the safe, humane, and lawful treatment of Massachusetts prisoners through civil rights litigation, administrative advocacy, client counseling, and outreach to policy makers and the public.
- **Prison Brutality Project: \$30,000**
Provides advocacy to prisoners who have been assaulted by correctional staff. Creates documentation of all instances where force or other acts of staff misconduct

are used in a manner that violates prison regulations and other significant prisoners' rights.

Veterans Legal Services

- **General Support: \$17,883**
Promotes self-sufficiency, stability, and financial security for veterans in Massachusetts through comprehensive and accessible legal services.
- **Veterans Legal Services Clinics: \$35,000**
Delivers legal services onsite at veterans' homeless shelters, service centers, and VA facilities ranging from on-the-spot advice to full representation.

Women's Bar Foundation: \$25,737

The Family Law Project for Domestic Abuse Survivors provides referrals for pro bono legal assistance to low-income survivors of domestic violence. Recruits and provides ongoing training and mentoring for volunteer attorneys in the areas of domestic violence, divorce, child support, custody, and visitation.

REGIONAL

Regional organizations provide advice and representation to low-income people facing civil legal issues related to housing, health care, public benefits, immigration, domestic violence, and other serious issues. Organizations are listed in the region where they provide all or the majority of their services. Many statewide organizations also provide regional services and support regional programs.

CENTRAL/WESTERN

\$851,284 to 14 organizations

Ascentria Community Services, Inc.: \$50,000

The Immigration Legal Assistance Program provides free legal services, including direct representation, managed referrals, and pro se assistance, to low-income political asylum seekers, unaccompanied minors, and victims of trafficking, violent crime, domestic violence, and labor exploitation.

Berkshire County Regional Housing Authority: \$ 36,000

The Housing Services and Mediation Program provides legal counseling, informal mediation/negotiation services, and in-court mediation services to resolve landlord/tenant, neighbor, and some small claims disputes to all Berkshire Country landlords, tenants, homeowners, and consumer disputants. Also provides community legal education programs.

CASA Project, Inc.: \$50,000

The Child Court Advocacy Program provides volunteer CASA court advocates for abused and neglected youth in Worcester County Juvenile Court to ensure they receive needed services while in litigation, and to help them move quickly to safe, permanent homes.

Center for New Americans: \$16,500

The Citizenship and Immigration Program provides immigration legal services to low-income immigrants at low or no cost, including informational workshops, legal counsel, and application assistance.

Collaborative Resolutions Group: \$17,642

The Family Mediation Program offers low or no-cost divorce, post-divorce, custody, and relationship mediation services to low-income couples. Also provides onsite Introductory Mediation Programs at the Franklin, Hampshire, and Hampden Probate and Family Courts.

Community Legal Aid

- **Bart Gordon Fellowship: \$50,000**

Provides funding for a recent law school graduate equipped to assist underserved communities.

- **Central-West Veterans' Outreach & Advocacy Project: \$13,000**
 Provides free legal assistance to low-income and elderly veterans in Berkshire, Franklin, Hampden, Hampshire, and Worcester Counties. Focuses on helping veterans ensure they receive the benefits to which they are entitled.
- **District Court Debt Collection Project: \$10,000**
 Coordinates pro bono program to assist low-income litigants in debt collections cases in the Worcester District Court. Pro bono attorneys provide limited assistance representation to eligible tenants including advice, forms preparation, negotiation with adverse parties, and representation at a hearing.
- **Family Law Advocacy Project – Berkshire County: \$30,000**
 Assists low-income custodial parents to obtain protective orders, divorce, safe custody and visitation arrangements, and child support. Provides advice, representation, and community legal education sessions for individuals and families who have experienced domestic violence or have other complex family law issues.
- **Family Law Advocacy Project – Hampshire & Franklin Counties: \$17,500**
 Provides direct family law representation for families in crisis and serves as a resource to other legal programs and professionals, as well as community residents, for legal information and consultation services.
- **Hampden County Education Law Project: \$10,000**
 Provides legal assistance to low-income children faced with unlawful or unfair disciplinary actions, with the goal of ensuring they remain and succeed in school.
- **Housing Court Intervention Project: \$50,000**
 Assists unrepresented tenants who appear in the Western Division of the Housing Court in response to summary process eviction summonses and helps low-income tenants avoid homelessness.
- **Migrant Farmworker Project: \$75,000**
 Provides legal services to agricultural workers and other migrant laborers on issues of immigration, employment discrimination, wage and hour claims, housing, and other matters.
- **Pro Se Litigants in Family Court: \$25,000**
 Aims to limit the time and assistance needed from the court by pro se litigants by providing lawyers to advise clients (Lawyer for the Day Program) and pro bono attorneys to represent clients in uncontested divorces (Uncontested Divorce Project).
- **Racial Justice Fellowship: \$80,000**
 Provides funding for a position to use systemic advocacy and other strategies to address pervasive problems of racial injustice, given the disproportionately high rate of poverty in communities of color and the unmet legal needs of these communities.

- **Senior Partners for Justice – West: \$15,000**
Recruits and coordinates pro bono attorneys to serve as volunteer conciliators or volunteer lawyers on a limited assistance representation basis to low-income, pro se litigants in the Hampden Probate and Family Court.
- **Volunteers for Justice: \$10,142**
Eviction advocacy and referral program that utilizes trained volunteers to screen, educate, and advocate for pro se tenant litigants in the Hampden session of Housing Court.
- **Worcester County Education Law Project: \$10,000**
Provides legal assistance to low-income children faced with unlawful or unfair disciplinary actions with the goal of insuring they remain in school.
- **Zarrow Homeless Advocacy Project: \$55,000**
Provides funding to support a staff attorney and team of volunteer attorneys from the Worcester County Bar Association who provide legal counsel and advice to residents of homeless shelters and to individuals and families who are at-risk of homelessness.

Dismas House of Central Massachusetts: \$18,500

The BAR None Program provides no-cost legal assistance to recently released ex-prisoners on any outstanding civil legal issues that are barriers to successful community reintegration.

Franklin County Bar Association Advocates, Inc.: \$50,000

Supports reduced-fee attorneys to provide legal services to low-income children, elders, and victims of domestic violence who are at risk of exploitation, abuse, homelessness, and continued poverty.

Hampden County Bar Association: \$65,000

The Children's Law Project provides representation for children involved in cases in the Probate and Family Court. Also recruits and trains lawyers to serve as advocates at a reduced fee for children involved in family law cases.

Hampshire County Bar Association

- **Domestic Relations Program for Children: \$10,000**
Provides direct representation for children exposed to conflict in domestic relations cases in Hampshire County and who are ineligible for any other form of legal assistance.
- **Hampshire Elder Law Program: \$5,000**
Addresses the unmet civil legal needs of the low-income elders age 60+ through reduced and no-cost representation by local attorneys.

Massachusetts Immigrant and Refugee Advocacy Coalition (MIRA): \$25,000

The Berkshire Immigrant Center assists low-income Berkshire County immigrants by providing advice, information, advocacy, referral, and support on issues related to immigration, employment, citizenship, housing, and social services. Also conducts a semi-monthly walk-in clinic offering clients consultation with an immigration attorney.

Quabbin Mediation: \$10,000

The Central Massachusetts Court Mediation Project provides free mediation services for small claims cases in Orange and Eastern Hampshire District Courts, and referrals from the Franklin County Probate and Family Court's Orange sessions. Veteran mediators, trained through Quabbin's Veteran Mediation Program, are used for any cases involving veterans.

Safe Passage: \$22,000

The Legal Advice and Referral Panel provides legal assistance to low-income survivors of domestic violence. Services are provided by a staff attorney and a panel of reduced fee attorneys who provide legal consultation, advice, and representation to clients

YWCA of Central Massachusetts: \$25,000

The Court Advocacy Program provides certified advocates onsite in the district and probate courts to provide advocacy and support services to victims of domestic violence seeking intervention and protection through the courts.

GREATER BOSTON**\$1,236,348 to 16 organizations****Arts & Business Council of Greater Boston: \$1,788**

The Volunteer Lawyers for the Arts Project provides artists and arts organizations—vital yet traditionally indigent populations—with equal access to legal resources, via direct legal representation, referrals to pro bono and low-fee counsel, and educational programming.

Boston CASA, Inc: \$12,500

The mission of Boston CASA is to ensure a safe and permanent home for court involved children in Suffolk County who have experienced abuse and neglect. CASA recruits, trains, and supervises volunteers who are appointed by judges of the Suffolk County Juvenile Court to serve and advocate for those children as CASAs.

Casa Myrna Vazquez: \$55,007

Provides legal representation, information and referrals, legal counseling, court accompaniment, outreach, and education to survivors of domestic violence who are shelter guests, community clients, and hotline callers. Also runs a medical-legal partnership at MGH and Beth Israel Deaconess Medical Center and an anti-trafficking program.

City Life/Vida Urbana: \$17,883

Bilingual, community organization whose mission is to fight for racial, social, and economic justice and gender equality by building working class power through direct action, coalition building, education, and advocacy.

De Novo: \$43,634

Provides direct legal services, community legal education and reform advocacy in areas of family law, homelessness prevention and government benefits, using volunteer attorneys and staff.

Finex House, Inc.: \$16,000

The Legal Advocacy Program provides in-house, comprehensive legal services for family law issues to survivors of domestic abuse and their children, such as divorce, spousal support, child custody and support, benefits, housing advocacy, and immigration issues.

Greater Boston Legal Services (GBLS)

- **Affordable Housing, Shelter Access & Foreclosure Prevention Project: \$50,000**
Provides legal assistance to tenants and conducts impact advocacy to improve rules and regulations to protect as many low-income tenancies in Greater Boston as possible.
- **Bart Gordon Fellowship: \$50,000**
Provides funding for a recent law school graduate equipped to assist underserved communities.
- **Family Work and Welfare Project: \$32,500**
Protects families from economic destitution and increases opportunities for economic stability through enforcement of rights and protections in the welfare laws.
- **General Support: \$321,889**
GBLS provides free legal assistance to as many low-income families as possible, helping them to secure some of the most basic necessities of life.
- **Pro Bono Employment, Healthcare & Low-Wage Advocacy Project: \$45,000**
Provides pro bono attorneys and trained law students to secure unemployment compensation, training, and health insurance benefits for qualified individuals and their families.
- **Refugees and Immigrants Protection Project: \$70,000**
Addresses emerging and ongoing immigration and asylum needs of low-income refugee and immigrant communities through individual case representation, community legal education programs, and training and system advocacy at local and national levels.
- **Technology Grant: \$217,052**
Funds support the organization's technology needs.

Justice at Work: \$19,056

The Small Claims Wage Theft Project assists low-income workers to use small claims court as an effective tool to rectify, punish, and deter wage theft.

Kids in Need of Defense: \$13,788

Serves unaccompanied immigrant children through a holistic approach that addresses both their social and legal needs, including by providing direct representation to high-needs unaccompanied immigrant children with complex legal cases that are not well-suited for pro bono presentation.

Lawyers for Civil Rights

- **General Support: \$7,153**

Fosters equal opportunity and fights discrimination on behalf of people of color and immigrants, engaging in creative and courageous legal action, education, and advocacy in collaboration with law firms and community partners.

- **Medical Legal Partnership: \$10,000**

Supports a medical-legal partnership with MGH Health Care Center in Chelsea. Attorneys receive referrals from the medical providers and provide free legal assistance in matters that impact a family's abilities to seek and sustain medical treatment the leads to improved health outcomes.

Pine Street Inn: \$22,153

The Homeless Court Program assists homeless individuals in the removal of default warrants for low-level felonies which impede their ability to secure housing, employment, and substance disorder treatment.

Project Citizenship: \$3,577

Aims to increase the naturalization rate in Massachusetts by providing free legal services to help lawful permanent residents apply for and achieve U.S. citizenship.

Rian Immigrant Center

- **General Support: \$21,459**

Welcomes and supports more than 3,500 immigrants and refugees from more than 120 countries every year, empowering newcomers with critical integration services so they can reach stability, contribute to their communities, and flourish.

- **Immigration Legal Services: \$26,000**

Assists low-income immigrants by providing a full range of legal services, beginning with consultation at the program's weekly legal clinics. Staff attorneys and accredited representatives provide immigrants, asylees, and refugees with legal advice and/or full representation.

Third Sector New England: \$30,500

The Clubhouse Family Legal Support Project provides legal representation to low-income parents with mental illness who are at risk of losing custody and all contact with their children. The project is a collaboration with the Mental Health Legal Advisors Committee.

Volunteer Lawyers Project: \$125,179

Increases access to justice by delivering high quality pro bono civil legal services to eligible clients in the Greater Boston area.

Youth Advocacy Foundation: \$24,230

The EdLaw Project provides educational advocacy to the state's highest risk children, as well as training and technical assistance to professionals and parents working with this population. The EdLaw Project is an initiative of the Youth Advocacy Foundation of CPCS, housed within the Youth Advocacy Division.

METROWEST**\$395,984 to 9 organizations****Community Dispute Settlement Center: \$16,000**

Provides mediation services to low- and moderate-income litigants in the Probate and Family and District Courts. Also provides mediation to address issues related to married and unmarried separating couples, as well as small claims, summary process, and other complex civil issues.

De Novo

- **Homelessness Prevention Project: \$15,000**

Helps prevent homelessness by providing legal assistance to low-income families and individuals, people with disabilities, senior citizens, and victims of domestic violence to obtain or retain access to safe, affordable housing. Also recruits and trains pro bono attorneys.

- **Immigration Law Project: \$50,000**

Provides free immigration legal services to immigrants seeking political asylum, battered immigrants, and unaccompanied immigrant minors. Also conducts comprehensive asylum intake and referral to pro bono resources, recruits and trains volunteer attorneys, and conducts systemic advocacy.

- **Domestic Violence & Child Support Advocacy Project: \$33,000**

Assists victims of domestic violence and their children in securing long-term protection from abuse, safe custody and visitation arrangements, child and spousal support, and access to health care. Also recruits, trains, and supervises pro bono attorneys to handle domestic violence cases, and conducts various outreach activities.

Dove, Inc.: \$26,788

The Legal Advocacy Program provides direct legal assistance through advice, document preparation, and/or limited representation to domestic violence survivors.

Housing Families, Inc: \$30,000

The Pro Bono Legal Services program assists low-income clients at risk of becoming homeless by staffing the Lawyer for the Day Program at Malden District Court and the Woburn session of the Northeast Housing Court and by providing weekly Eviction Defense Clinics.

Mediation Works, Inc.: \$10,000

The Eviction Mediation Program provides court-connected mediation services for summary process cases at six district courts in Norfolk, Suffolk, and Plymouth Counties to prevent homelessness and streamline court proceedings. Also recruits and trains volunteer mediators, with a special focus on multilingual mediators.

MetroWest Legal Services

- **Children's Education Advocacy Program: \$22,600**
Provides advice, brief services, outreach, and representation to parents whose children are not receiving the services they need to succeed academically (either special education or discipline issues).
- **Domestic Violence Project: \$47,000**
Provides a full range of free legal services to low-income victims of domestic violence in their contested family law cases, with highest priority given to custody and visitation cases.
- **Eviction Defense Project: \$24,750**
Provides advice, brief services, and full representation to low-income tenants in their summary process or subsidy termination cases, as well as to low-income homeowners facing foreclosure. Holds weekly pro se clinics explaining the court process, relevant defenses, and mediation option, to tenants facing eviction.
- **General Support: \$53,648**
Provides legal advocacy to protect and advance the rights of the poor, elderly, disabled and other disenfranchised people and to assist them in obtaining legal, social and economic justice.
- **Technology Grant: \$19,698**
Funds support the organization's technology needs.
- **Wage Theft Prevention Project: \$13,000**
Represents low-income workers in cases involving wrongful denial of unemployment benefits; violations of state and federal wage laws resulting in wage theft; tax controversies related to employment income or problems receiving EITC; and CORI related barriers to employment.

MetroWest Mediation Services, Inc.: \$12,500

The Court Mediation Services Program provides mediation services to individuals referred by the Framingham, Natick, Concord, Marlborough District Courts, as well as the Middlesex County Juvenile and Probate and Family Courts.

Middlesex County Bar Association: \$12,000

The Pro Bono Conciliation Program mediates appropriate cases in the Middlesex Probate and Family Court using pro bono conciliators.

Saheli, Inc.: \$10,000

The Legal Advocacy Program increases awareness about the cultural aspects and challenges unique to immigrant communities by organizing workshops for law students at Boston area law schools. Also organizes free legal clinics and educational workshops led by practicing attorneys, making legal help for immigrant victims of domestic violence more accessible.

NORTHEAST

\$281,791 to 4 organizations

Essex County Bar Association

- **Housing Court Pro Bono Lawyer for the Day: \$17,500**
Pro bono attorneys serving as lawyer for the day provide legal advocacy and mediation to low-income or marginalized tenants and landlords in the Salem session of the Northeast Housing Court.
- **Multi-Court Pro Bono Conciliation Program: \$17,000**
Conciliators from the Essex County Bar Association remove as many cases as possible from the trial docket by resolving conflicts, at no cost to the parties or the courts, prior to trial at six courthouses in Essex County.
- **Probate and Family Court Lawyer for the Day: \$16,000**
Pro bono attorneys serving as lawyer for the day support low-income individuals in Probate and Family Court matters such as divorce, custody, child support, visitation, guardianship, abuse prevention, and restraining orders.

Jeanne Geiger Crisis Center: \$21,832

The Domestic Violence Family Law Project provides legal advocacy, direct representation, and support with safety and family law issues to low-income victims of domestic violence in northern Essex County.

North Shore Community Mediation, Inc.: \$6,000

The Court and Community Mediation Program provides pre-screening and mediation services for small claims and summary process sessions in the Salem, Peabody, and Gloucester District Courts, for juvenile CRA or HOP cases from Essex County Juvenile

Court, and for complex divorce and separation cases from the Salem session of the Essex County Probate and Family Court.

Northeast Legal Aid

- **Bart Gordon Fellowship: \$50,000**
Provides funding for a recent law school graduate equipped to assist underserved communities.
- **Consumer Law Project: \$20,000**
Provides civil legal services to low-income and elderly northeastern Massachusetts residents to obtain economic benefit and relief from oppressive debt collection. Also provides direct representation, advice, screening and referral, and community outreach on consumer issues.
- **Domestic Violence and Helpline Project: \$12,000**
Offers free family law legal services to clients who fall just outside the eligibility requirements of Northeast Legal Aid's other programs. Services are provided directly or through a helpline system and include community education, counsel and advice, and assistance in District Court on protective order matters.
- **General Support: \$21,459**
Provides free high-quality civil legal services to the poor and elderly in northeastern Massachusetts.
- **Immigrant Victims of Domestic Violence: \$40,000**
Provides direct representation to immigrants with inter-related immigration, domestic violence, and family law matters with the goal of obtaining immigration status in the United States. Also provides community education, pro bono attorney programming, and helpline legal services.
- **Northeast Housing Court Lawyer for the Day Program: \$60,000**
Provides legal aid, ranging from counsel and advice to full representation, in the Northeast Housing Court to low-income tenants and landlords.

SOUTH COASTAL

\$377,972 to 10 organizations

Barnstable County Bar Association

- **Lawyer for the Day Program: \$12,000**
Provides direct legal assistance to pro se individuals, who are not otherwise represented, at the Barnstable County Probate and Family Court. Funds also support the Grandparent Advocacy Program.

- **Pro Bono Conciliation Project: \$7,600**

Supports pro bono conciliation project that seeks to remove as many cases as possible from the Barnstable County Probate and Family Court trial docket.

Bristol County Bar Association: \$10,000

The Pro Bono Conciliation Project seeks to remove as many cases as possible from the Bristol County Probate and Family Court trial docket and to get the parties to self-determined case outcomes.

Cape Mediation: \$15,000

The Cape Cod Court Mediation and Conciliation Program provides no-fee mediation services in Barnstable and Nantucket Counties. Also provides summary process mediation in the Falmouth and Orleans District Courts, small claims mediation in the Falmouth and Nantucket District Courts, and a civil conciliation program in the Orleans and Barnstable District Courts.

Catholic Social Services of Fall River, Inc.: \$110,000

The Immigration Law Program provides low and no-cost legal assistance for low-income refugees and immigrants, including representation in court proceedings and interviews, multi-lingual community education forums, and outreach to local detainees and victims.

Independence House: \$5,072

Provides free culturally and community-informed legal assistance to low-income survivors of domestic and sexual violence, in collaboration with a pro bono panel of attorneys. Includes assistance with legal issues related to housing and economic security, family law, benefits, relocation, and stabilization.

Pilgrim Advocates, Inc.: \$12,000

Provides a Lawyer for the Day program in the Plymouth and Brockton Probate and Family Courts every court day of the year, as well as two attorneys one day a week in the Southeast Housing Court.

Plymouth County Bar Association: \$5,000

The Probate and Family Court Conciliation Program trains pro bono conciliators and supports a program coordinator with the goal of removing as many cases as possible from the trial docket.

South Coastal Counties Legal Services

- **Education Advocacy Project: \$35,000**

Provides legal representation in special education and school discipline matters to children of color, children with disabilities, and English language learners enrolled in the public school systems of Fall River, Brockton, and New Bedford. Also provides Know Your Rights presentations for students and parents.

- **Elder Law Project: \$27,500**

Provides direct representation to low-income elders regarding the significant problems they are facing, with a focus on three critical issues: affordable housing

preservation, financial security, and access to appropriate health care and advanced directives.

- **Homeless Prevention Project: \$37,000**

Provides direct representation to tenants and homeowners in southeastern Massachusetts who are at risk of homelessness due to eviction, foreclosure, termination of rental assistance benefits, discrimination, and/or denial of access to subsidized housing or emergency shelter.

- **Immigration Law Project: \$55,000**

Provides direct representation legal services to eligible clients in the Greater Brockton area, including assistance to unaccompanied minors in Bristol County, and provides Know Your Rights trainings throughout the region.

The Women's Center: \$30,000

The Legal Advocacy Program assists individuals seeking protection from abusive relationships by advising them of their options regarding filing restraining orders and/or criminal charges, by offering victims the information and resources needed to make informed choices, and by assisting them to access pro-bono legal services.

WE CAN: \$16,800

The Legal Assistance Program provides free legal consultations to low-income women of Cape Cod regarding primarily family law matters, including divorce, child support, and custody issues. Also provides attorney-led divorce boot camps, family law overview workshops, workshops on legal issues facing grandparents raising grandchildren, and workshops on child support.

MASSACHUSETTS IOLTA COMMITTEE
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020



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**MASSACHUSETTS IOLTA COMMITTEE
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INDEPENDENT AUDITORS' REPORT

The Members
Massachusetts IOLTA Committee
Boston, Massachusetts

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Massachusetts IOLTA Committee, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Massachusetts IOLTA Committee as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Massachusetts IOLTA Committee and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Massachusetts IOLTA Committee's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Massachusetts IOLTA Committee's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Massachusetts IOLTA Committee's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Quincy, Massachusetts
March 21, 2022

**MASSACHUSETTS IOLTA COMMITTEE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,775,926	\$ 1,304,010
Other Receivables	8,299	56,444
Total Current Assets	<u>2,784,225</u>	<u>1,360,454</u>
 Total Assets	 <u>\$ 2,784,225</u>	 <u>\$ 1,360,454</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Entities Payable	\$ 1,923,695	\$ 1,061,195
Other Payables	589,277	56,444
Total Current Liabilities	<u>2,512,972</u>	<u>1,117,639</u>
 NET ASSETS WITHOUT DONOR RESTRICTIONS	 <u>271,253</u>	 <u>242,815</u>
 Total Liabilities and Net Assets	 <u>\$ 2,784,225</u>	 <u>\$ 1,360,454</u>

See accompanying Notes to Financial Statements.

**MASSACHUSETTS IOLTA COMMITTEE
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
OPERATING REVENUE		
IOLTA Receipts	\$ 7,151,521	\$ 9,725,752
Access to Justice Fee Revenue	1,360,185	1,273,968
Unclaimed Funds	806,442	-
Administrative Fee Income	743,367	678,830
Class Action Residual Awards	588,816	463,246
Out-of-State Registration Fees	317,286	247,452
Interest Income	5,016	13,272
Total Operating Revenue	<u>10,972,633</u>	<u>12,402,520</u>
OPERATING EXPENSES		
IOLTA Distributions	7,124,653	9,763,263
Access to Justice Fee Distributions	1,360,185	1,273,968
Unclaimed Funds Expense	806,442	-
Administrative Fee Expense	743,367	678,830
Class Action Residual Distributions	588,816	463,246
Out-of-State Registration Fees	317,286	247,452
Bank Fees	3,446	3,407
Total Operating Expenses	<u>10,944,195</u>	<u>12,430,166</u>
CHANGE IN NET ASSETS	28,438	(27,646)
Net Assets Without Donor Restrictions - Beginning of Year	<u>242,815</u>	<u>270,461</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u><u>\$ 271,253</u></u>	<u><u>\$ 242,815</u></u>

See accompanying Notes to Financial Statements.

MASSACHUSETTS IOLTA COMMITTEE
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 28,438	\$ (27,646)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Increase (Decrease) in Cash Resulting from a Change in:		
Other Receivables	48,145	409,959
Entities Payable	862,500	(297,880)
Other Payables	<u>532,833</u>	<u>46,397</u>
Net Cash Provided by Operating Activities	<u>1,471,916</u>	<u>130,830</u>
Cash and Cash Equivalents - Beginning of Year	<u>1,304,010</u>	<u>1,173,180</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 2,775,926</u></u>	<u><u>\$ 1,304,010</u></u>

See accompanying Notes to Financial Statements.

**MASSACHUSETTS IOLTA COMMITTEE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 NATURE OF ACTIVITIES

The Massachusetts IOLTA Committee (the Committee) was established, and members appointed, by the Massachusetts Supreme Judicial Court to provide for the operation of the comprehensive Interest on Lawyers Trust Accounts (IOLTA) program, as adopted by the order of the Supreme Judicial Court, dated September 26, 1989.

IOLTA income is the result of interest earned on pooled client fund accounts, which are used by attorneys to hold client funds that are either so nominal in amount, or expected to be held for such a short period of time, that it would not be practical to establish individual accounts. There are currently more than 200 banks and over 20,000 attorneys participating in this program, which helps to fund improvements in the administration of justice and delivery of legal services to low income clients.

Prior to January 1, 1993, interest earned on IOLTA accounts was paid by banks to one of three charities, as designated by the attorney. Effective January 1, 1993, the court amended its rule so that the Massachusetts IOLTA Committee was the initial recipient of all IOLTA funds throughout the state. The Committee then distributes all of the available funds to the three charitable entities based on percentages set up in the Court Rule and Order as follows:

Boston Bar Foundation	7%
Massachusetts Bar Foundation	26%
Massachusetts Legal Assistance Corporation	67%

IOLTA funds are used by each of the three entities to provide grants to providers of direct legal services for the poor and other not-for-profit organizations throughout the state. Each of the three entities is required by the court order to absorb the costs of the Committee in the same proportion by which they receive funds. Monthly, the entities are charged one-twelfth of the Committee's annual operating budget. At year-end, the fees are reconciled to the actual expenses and the difference between budgeted and actual expenses is either paid to or collected from the entities subsequent to year-end.

On June 9, 2010, the Supreme Judicial Court added an option to the Board of Bar Overseers registration fee called the Access to Justice Fee. This fee is \$51 and is to be used in the administration of justice and provision of civil legal services to those who cannot afford them. The Access to Justice Fee is voluntary. The receipts received by the Committee from the Access to Justice Fee payments are distributed in their entirety to the charitable entities described above.

As of September 4, 2012, Massachusetts requires that prior to filing a motion to have out-of-state counsel admitted pro hac vice in certain appellate courts, out-of-state counsel must pay a nonrefundable pro hac vice registration fee of \$301 per case. During 2018, the pro hac vice registration fee was increased to \$355. The pro hac vice registration fee remained at \$101 for district court cases. These fees are paid to the Board of Bar Overseers (the Board), and which on a quarterly basis are given to the Committee. The receipts received by the Committee from the pro hac vice fee payments are distributed in their entirety to the charitable entities described above.

**MASSACHUSETTS IOLTA COMMITTEE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 NATURE OF ACTIVITIES (CONTINUED)

In Massachusetts, unclaimed funds from class action lawsuits are distributed to appropriate not-for-profit organizations. During 2009, the Supreme Judicial Court determined that legal services and IOLTA programs are appropriate recipients of class action residual awards. The receipts received by the Committee from the class action residual awards are distributed in their entirety to the charitable entities described above.

On October 1st, 2020, the Massachusetts Supreme Judicial Court updated the legal status of property previously treated as abandoned under G.L. 200A, s.3. In that Ruling the Court stated that unidentified IOLTA funds do not fall under the state's abandoned property statute and must be transferred to the IOLTA Committee for disposition. As a result of this ruling, during 2021 the Massachusetts Treasurer's Office transferred to the IOLTA Committee \$1,127,318. Additionally, the Massachusetts Board of Bar Overseers transferred to the IOLTA Committee \$260,102. Of these amounts as of December 31, \$806,442 was payable to the charitable entities described above and \$580,978 was held back as a reserve against potential future claims. The IOLTA Committee will adjust future amounts reserved based on its experience with actual claims. There were no claims made against the unidentified IOLTA funds described above during 2021.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies followed by the Committee in the preparation of the accompanying financial statements is set forth below.

Basis of Financial Statements

The financial statements of the Committee have been prepared in accordance with accounting principles generally accepted in the United States of America. Accordingly, the accounts of the Committee are reported in the following net asset categories:

Net Assets Without Donor Restrictions – Net assets without donor restrictions represent available resources other than donor-restricted contributions.

Net Assets With Donor Restrictions – Net assets with donor restrictions represent contributions that are restricted by the donor as to purpose or time of expenditure and also include accumulated investment income and gains on donor-restricted endowment assets that have not been appropriated for expenditure. Net assets with donor restrictions also represent resources that have donor-imposed restrictions that require that the principal be maintained in perpetuity but permit the Committee to expend the income earned thereon.

At December 31, 2021 and 2020, the Committee did not have net assets with donor restrictions.

**MASSACHUSETTS IOLTA COMMITTEE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Committee considers all highly liquid investments with an initial maturity of 90 days or less to be cash equivalents.

Basis of Presentation

Revenue from IOLTA receipts is recorded when received. All other income and expenses are recorded when incurred.

Revenue Recognition

The Committee recognizes revenue at a point in time when the funds are approved based on the Court Rule and Order.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been reported on a functional basis. All costs are directly applied to program and support services benefited. Program costs are the fees distributed to the three charitable entities on a monthly basis. General and administrative costs are administrative fees paid to the Massachusetts Legal Assistance Corporation (see Note 4).

Income Taxes

The Committee is not subject to federal income taxes because it is an integral part of the commonwealth of Massachusetts constituted under the Supreme Judicial Court. It does not require exemption under Section 501 of the Internal Revenue Code as an exempt organization.

Subsequent Events

The Committee has evaluated subsequent events through March 21, 2022, which is the date the financial statements were available to be issued.

**MASSACHUSETTS IOLTA COMMITTEE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 3 CONCENTRATION OF CREDIT RISK

The Committee has a potential concentration of credit risk in that it maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). The maximum deposit insurance amount was \$250,000, which was applied per depositor, per insured bank, for each account ownership category. As of December 31, 2021 and 2020, the Committee had balances of \$21,253 and \$804,010, respectively, in excess of FDIC limits. The Committee has not experienced any losses in such accounts or instruments. The Committee believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 4 RELATED PARTY

A monthly administrative fee is paid to the Massachusetts Legal Assistance Corporation (MLAC) based on one-twelfth of the annual operating budget as approved by the Committee. MLAC provides services to the Committee including payroll, purchasing, rent and other accounting and administrative services. The budget is reconciled to actual expenses at year-end, and the difference between the budgeted and actual expenses is either paid to or received from MLAC subsequent to year-end. The administrative fee expenses totaled \$743,367 and \$678,830 for the years ended December 31, 2021 and 2020, respectively. The amount payable to MLAC was \$8,299 and \$56,444 as of December 31, 2021 and 2020, respectively.

Additionally, the nine-member committee appointed by the Supreme Judicial Court that oversees the Committee is composed of three members nominated by each of the three charitable entities that are beneficiaries: Boston Bar Foundation, Massachusetts Bar Foundation, and the Massachusetts Legal Assistance Corporation.

NOTE 5 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Committee's financial assets available within one year of the financial statement position date for general expenditure are cash and cash equivalents of \$2,775,926 and \$1,304,010 for the years ended December 31, 2021 and 2020, respectively. The Committee receives cash in monthly installments and distributes these amounts the following month while keeping a small reserve.

The Committee maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due each month.

MASSACHUSETTS IOLTA COMMITTEE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 6 FUNCTIONAL EXPENSES

The functional expenses were as follows for the years ended December 31:

	2021		
	Program Services	General and Administrative	Total
IOLTA Distributions	\$ 7,124,653	\$ -	\$ 7,124,653
Access to Justice Fee Distributions	1,360,185	-	1,360,185
Unclaimed Funds	806,442	-	806,442
Administrative Fee Expense	-	743,367	743,367
Class Action Residual Distributions	588,816	-	588,816
Out-of-State Registration Fees	317,286	-	317,286
Bank Fees	-	3,446	3,446
Total Expenses	<u>\$ 10,197,382</u>	<u>\$ 746,813</u>	<u>\$ 10,944,195</u>

	2020		
	Program Services	General and Administrative	Total
IOLTA Distributions	\$ 9,763,263	\$ -	\$ 9,763,263
Access to Justice Fee Distributions	1,273,968	-	1,273,968
Administrative Fee Expense	-	678,830	678,830
Class Action Residual Distributions	463,246	-	463,246
Out-of-State Registration Fees	247,452	-	247,452
Bank Fees	-	3,407	3,407
Total Expenses	<u>\$ 11,747,929</u>	<u>\$ 682,237</u>	<u>\$ 12,430,166</u>



LEADERSHIP BANKS & CREDIT UNIONS

Adams Community Bank	The Coop Bank of Cape Cod	Polish National Credit Union
Athol Savings Bank	Everett Bank	Quincy Credit Union
Avidia Bank	Freedom Credit Union	RiverWorks Credit Union
Bank of New England	Greylock Federal Credit Union	Rollstone Bank & Trust
BankFive	Institution for Savings	Sharon Credit Union
BayCoast Bank	Lee Bank	South Coast Federal Credit Union
Bristol County Savings Bank	Leominster Credit Union	St. Jean's Credit Union
Brookline Bank	Naveo Credit Union	St. Mary's Credit Union
Central One Federal Credit Union	North Cambridge Co-op Bank	UniBank
Community Bank NA	PeoplesBank	Washington Savings Bank
		Westfield Bank

Leadership Institutions are those that go above and beyond the eligibility requirements of the IOLTA Rule to support the IOLTA program in its mission to ensure that low-income Massachusetts residents have access to critically needed legal aid.

Leadership Institutions currently pay a net interest rate on all IOLTA funds of at least 1.00% APR.

Leadership Institutions will be highlighted throughout the year at Bar events and legal publications so that attorneys and law firms are aware of their contribution and exceptional support of the program.

THE IOLTA COMMITTEE

Michael D. Badger, Chair, Westborough

Lauren G. Barnes, Cambridge

Janette A. Ekanem, Boston

Margaret J. Hurley, Worcester

Mary T. Marhsall, Boston

Mala M. Rafik, Boston

Angela McConney Scheepers, Malden

Iris Taymore Schnitzer, Boston

Mary Jeanne Stone, Fall River

THE IOLTA STAFF

Jenna Miara, Executive Director

Stephen Casey, Chief Financial Officer

Patricia Bond, Information Coordinator



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