

PROFESSIONAL SERVICES CONTRACT

BETWEEN THE CITY OF ROYAL OAK AND LEGAL AID AND DEFENDER ASSOCIATION, INC.

This Professional Services Contract dated the _____ day of _____, 2025 by and between the City of Royal Oak, a Michigan Municipal Corporation, with its principal office at 203 S. Troy Street, Royal Oak MI 48067 (the "City") and Legal Aid and Defender Association, Inc., a domestic nonprofit corporation, with a local office at 613 Abbott Street, Suite 630 Detroit MI 48226 ("LADA").

Both City and LADA agree to the following:

Section 1 - Purpose

Both City and LADA approve of, and hereby agree to, the following project description, budget, and tentative schedule.

Purpose of Project

The City is a recipient of federal funds through the Community Development Block Grant (CDBG) program, which is administered by the U.S. Department of Housing & Urban Development (HUD).

The project includes Federal financial assistance, via the City's Community Development Block Grant (CDBG) program (CFDA No. 14.128), to reimburse LADA for the operation and administration of a rental assistance program to prevent the eviction of low- to moderate-income Royal Oak individuals / households who are at-risk of becoming homeless. Additionally, those income qualified Royal Oak renters at-risk of having their electrical or natural gas service shut-off due to non-payment or who have recently been disconnected due to non-payment.

The project helps the City fulfill the following community needs priority / objective identified in its PY2021 – PY2025 Consolidated (Five Year) Plan:

Non-Homeless Special Needs – Public Services That Benefit Special Needs Population

To support and facilitate access to the wide variety of existing public services that may enhance life skills and self-sufficiency.

Housing - Affordable Owner-Occupied & Renter-Occupied Housing

To preserve and increase the supply of affordable owner-occupied and renter-occupied housing for low- to moderate-income residents through housing rehabilitation, new construction, advocacy, policies, and regulations.

Eligible Activities

The City has designed this contract to operate specific eligible activities (rent arrear assistance & utility arrear assistance) identified under the Code of Federal Regulations, Title 24, Part 570 Community Development Block Grants, Subpart C Eligible Activities, Section 201 Basic Eligible Activities, (e): Public Services..."welfare (but excluding the provision of income payments identified under §570.207(b)(4)" which identifies income payments.: "The general rule is that CDBG funds may not be used for income payments. For purposes of the CDBG program,

“income payments” means a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage), or utilities, but excludes emergency grant payments made over a period of up to three (3) consecutive months to provider of such items or services on behalf of an individual or family”.

Rent Arrear Assistance / Payments

- rent arrear assistance may not exceed rental costs accrued over a 3-month period
- amount of rent arrear assistance provided should be based on need
- rent arrear assistance paid cannot exceed the actual rental cost per the landlord and tenant agreement which must be in compliance with HUD’s standard of rent reasonableness outlined below
- all payments must be made directly to third party landlords on behalf of the beneficiary
- in addition to contractual monthly rent rate, this program allows assistance to include the following types of fees associated with arrears: late charges, late pet fees, late parking fees, court fees, administration fees, processing fees, etc.
- assistance does not apply to luxury fees, such as pool or other amenities, or fees associated with inflicted damage to the dwelling unit
- arrear assistance must prevent eviction; not simply provide the landlord with the equivalent of 3 months rent while still resulting in eviction

Utility Arrear Assistance / Payments

- utility arrear assistance may not exceed costs accrued over a 3-month period for renters only
- amount of utility arrear assistance provided should be based on need for renters only
- utility arrear assistance is limited to electrical service and/or natural gas service for renters only
- all payments must be made directly to third party utility companies on behalf of the beneficiary
- arrear assistance must prevent the renter’s utility disconnection; not simply provide the utility company with the equivalent of 3 months of payment while still resulting in disconnection

Not Eligible

- | | |
|--------------------------|------------------------------|
| - rent security deposits | - utility security deposit |
| - current rent payment | - current utility payment |
| - future rent payment | - future utility payment |
| - luxury amenity fees | - utility re-connection fees |

Eligible Program Beneficiaries

At a minimum, an eligible program beneficiary/participant must meet the following criteria:

Current, income-qualified Royal Oak resident that live in a leased dwelling unit within the city limits. The program is not designed to accommodate those seeking to move into the city limits.

All leased units must maintain a license to rent with the City’s Community Development Department.

Royal Oak renters must provide evidence of unpaid rent or related penalties, or an imminent eviction notice due to rental arrears.

Royal Oak renters must provide evidence of unpaid utility bills or related penalties, or an imminent notice to disconnect electrical or natural gas services due to utility arrears.

The Royal Oak renter households must be at or below 80 percent of the 2025 Area Median Income (details below under Household Income Eligibility).

The actual rental costs of the dwelling unit assisted must comply with HUD's standard for "rent reasonableness" (details below under Rent Reasonableness).

Household Income Eligibility

To be eligible to participate in this program, a household's income may not exceed 80% of the Area Median Income (AMI). LADA shall utilize the table below, or appropriately updated data, to determine eligibility based on the total number of household members.

2025 HUD income limits - effective 04/01/2025

persons in family	0-30% MFI extremely low-income	30.1-50% MFI low-income	50.1-80% MFI moderate-income	80.1+% MFI not eligible
1 person	\$0 - \$21,250	\$21,251 - \$35,350	\$35,351 - \$56,600	\$56,601+
2 persons	\$0 - \$24,250	\$24,251 - \$40,400	\$40,401 - \$64,650	\$64,651+
3 persons	\$0 - \$27,300	\$27,301 - \$45,450	\$45,451 - \$72,750	\$72,751+
4 persons	\$0 - \$32,150	\$32,151 - \$50,500	\$50,501 - \$80,800	\$80,801+
5 persons	\$0 - \$37,650	\$37,651 - \$54,550	\$54,551 - \$87,300	\$87,301+
6 persons	\$0 - \$43,150	\$43,151 - \$58,600	\$58,601 - \$93,750	\$93,751+

Median Family Income: \$101,000

Detroit-Warren-Livonia, MI HUD Metro FMR Area

A household includes all persons who occupy the housing unit. The income of all members of the household at 18 years of age or older shall be included in the calculation. LADA shall calculate using one of the definitions of annual income to determine whether households are eligible to participate in this program.

1. Annual income as defined in 24 CFR Part 5
2. Annual income as reported on individual income tax federal Form 1040
– gross adjusted income

HUD's Office of Community Planning & Development has developed an online Income Eligibility Calculator to determine income eligibility and assistance amounts. The online calculator can be found at: <https://www.hudexchange.info/incomecalculator/>

Part 5 annual gross income is determined by calculating a household's anticipated total or gross income over the next 12 months. This may be a more advantageous method of determining eligibility for those that have experienced a recent loss of employment.

Household Data

HUD requires that all beneficiaries provide the following data regarding their household. LADA shall collect and report the below data to the City prior to reimbursement.

Number of persons residing in the household: _____

Number of persons under 18 years of age: _____

Is the head of household female?

- ☐ Yes
☐ No

Check the box indicating the ethnicity of the head of household.

- ☐ Not Hispanic / Latino
- ☐ Hispanic / Latino

Check the box indicating the race of the head of household.

- ☐ American Indian or Alaskan Native only
- ☐ Asian only
- ☐ Black or African American only
- ☐ Native Hawaiian or Other Pacific Islander only
- ☐ White only
- ☐ American Indian or Alaskan Native AND White
- ☐ Asian AND White
- ☐ Black or African American AND White
- ☐ American Indian or Alaskan Native AND Black/African American
- ☐ Multi-Race (not listed)

Rent Reasonableness

In LADA's efforts to provide rent arrear assistance, it must ensure that the actual rental costs of the dwelling unit assisted are in compliance with HUD's Emergency Shelter Grant (ESG) standards of "rent reasonableness".

Rent reasonableness means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted dwelling units. LADA shall maintain, and provide to the City, a checklist to demonstrate rent reasonableness for each instance of assistance.

An analysis and compliance with Fair Market Rates (FMRs) is not applicable.

Habitability Standards, HQS, & LBP

A physical housing quality standard and/or lead-based paint inspection is not applicable due to the limitation of 3 months of assistance.

Fee & Reimbursement / Payment for Services

LADA shall be eligible for administrative delivery costs associated with implementing eligible activities. Administrative delivery costs shall be in the form of case management fees for each beneficiary.

Case management activities include the arrangement, coordination, monitoring, and delivery of services related to eligible activities. The eligibility of case management fees ceases / ends once the third party is provided payment on behalf of the beneficiary.

LADA shall be entitled to a flat hourly rate of \$55.00 for all case management efforts.

LADA shall provide the City with the number of billable hours per beneficiary. The City shall reimburse Legal Aid & Defender Association for case management fees.

The sum total of all rent and utility arrear assistance payments and all related case management fees shall not exceed the total dollar amount (\$100,000) of this contract.

The following fees which are NOT eligible for reimbursement under this contract: program publicity / outreach, housing search and placement, legal services / representation, credit repair, etc.

LADA may commence service no sooner than July 1, 2025.

LADA shall submit to the City an invoice for reimbursement and all documentation demonstrating eligibility by no later than July 30, 2026.

The City shall promptly pay LADA according to the approved City of Royal Oak Accounts Payable Calendar which establishes check requests deadlines bi-weekly for payment the following week.

Term

This contract shall commence upon execution. It shall cover all eligible expenses and case management fees between the date of execution and the expenditure of the maximum dollar amount (\$100,000) established under this contract or June 30, 2026, whichever is first.

Section 2 – General Condition

General Compliance

LADA agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 870 the Housing and Urban Development regulations concerning Community Development Block Grant. LADA also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract.

Suspension / Termination

LADA agrees that suspension or termination of this project may occur if it materially fails to comply with any term of this contract, or any rules, regulations or provisions referred to within, and that this grant may be terminated for convenience by the City. These conditions are fully described in the Code of Federal Regulations, Title 24, Part 85.43 (Enforcement) & Part 85.44 (Termination for Convenience).

LADA agrees to reimburse the City all or part of this grant if at any time HUD determines that this activity was ineligible, but only if this ineligibility status resulted from misrepresentation(s) by LADA.

Default of Contract

When, in the opinion of the Director of Planning, the work or any part of the work to be done under this contract has been abandoned, is unnecessarily delayed, or cannot be completed at the rate of progress or within the time specified, or LADA is willfully violating any of the covenants of this contract or is carrying it out in bad faith, or has been adjudged as bankrupt, or if he/she should make a general assignment for the benefit of his creditors, then the Director of Planning or designee shall so certify in writing and may declare LADA in default and so notify him/her to discontinue the work. The City agrees to pay LADA for all work itemized work conducted prior to the written notice of default. This contract shall be dissolved upon receipt of notice.

Reversion of Assets

Upon final payment / reimbursement by the City, LADA agrees that any unspent funds shall no longer be obligated to the activity.

Merger or Integration

This contract constitutes the entire contract between LADA and the City with respect to the subject matter hereof; there are no other further written or oral understandings or agreements with respect hereto.

Modification, Assignment or Subcontracting Absent Prior Written Consent

No variation or modification of this contract and no waiver of its provisions shall be valid unless in writing and signed by the duly authorized officers of LADA and the City. Any alterations, additions or deletions to the terms of this contract, which are required by the enactment of legislation, regulations and directives are automatically incorporated into this contract on the date designated by law, regulation or directive.

Termination

Either party may, at any time during the life of this contract, terminate this contract by giving thirty (30) days written notice to the other party of its intention to terminate and an opportunity for consultation prior to termination. In the event of a termination, the City's obligation shall only be to reimburse the selected contractor(s) for services rendered up to the point of notification of termination.

Addendum

The contract duration may be extended or shortened, funds may be added or subtracted via an addendum signed by a representative from the City and LADA indicating exactly what is changing.

Hold Harmless

To the fullest extent permitted by law, LADA agrees to indemnify, pay on behalf of, and hold harmless the City, their elected and appointed officials, employees, volunteers, boards, commissions and others working on behalf of the City of Royal Oak, against any and all claims, demands, suits, losses, including all costs connected therewith for any damages which may be asserted, claimed or recovered against or from the City of Royal Oak, by reason of personal injury, including bodily injury and death, and/or property damage, including loss of use thereof, which arises out of, or is in any way connected or associated with, the activity authorized by this contract.

Confidentiality

The use or disclosure of information by the City concerning services, applicants or recipients obtained in connection with the performance of the contract shall be restricted to the purposes directly connected with the administration of the services provided under this contract. Such information shall not be used for any other purpose unless written approval is obtained from LADA.

Disputes

The City shall notify LADA in writing of its intent to pursue a claim against LADA for breach of any terms of this contract. No suit may be commenced by the City for breach of the contract prior to the expiration of ninety (90) days from the date of such notification. Within this ninety (90) day period, the City at the request of LADA, must meet with an appointed representative of LADA for the purpose of attempting to resolve the dispute. LADA shall be given the opportunity to cure or remedy any breach within such ninety (90) day period.

Notices

Whenever under this contract provision is made for notice of any kind, unless otherwise herein expressly provided, it shall be in writing and shall be served personally or sent by registered or certified mail with postage prepaid to the designated representatives at the addresses supplied below.

Planning Division

Joseph M. Murphy
Director of Planning
Community Development Depart
City of Royal Oak
203 S. Troy St
PO Box 64
Royal Oak, MI 48068-0064

P (248) 246-3285
joem@romi.gov

Legal Aid & Defender Association, Inc.

Michelle L. Johnson
President & CEO
613 Abbott Street, Suite 630
Detroit MI 48226
P (313) 967-5646
E mjohnson@ladadetroit.org

State Id. #: 800880641
Federal Unique Entity ID: KJJTW5YM2H56

Section 3 – Administrative Requirements

Financial Management

LADA shall comply with the requirements and standards of the Office of Management & Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The final guidance is codified in the Code of Federal Regulations at 2 CFR Part 200, as applicable.

Uniform Administrative Requirements & Cost Principles

LADA shall comply with the policies, guidelines, and requirements of 24 CFR Part 85 and 2 CFR Part 200, as applicable, as they relate to the acceptance and use of Federal funds.

LADA will complete the attached form (Single Audit notification form) and, if applicable, supply the City with a copy of its most recent Single Audit (2 CFR Part 200, Subpart F – Audit Requirements) prior to seeking reimbursement for the project. The City's Finance and Community Development departments will examine the Single Audit to determine the subrecipient's compliance requirements, risk level, review identified corrective actions, examine corrective actions thereafter, verify compliance, determine monitoring levels, determine ability to seeking CDBG funds in future program years, etc.

Documentation and Recordkeeping

1. LADA agrees to maintain all records required by the Federal regulations specified in 2 CFR Part 200, Subpart D – Post Federal Award Requirements, that are pertinent to the project to be funded under this contract. Such records shall include but are not limited to:
 - a. Records providing a full description of the project undertaken;
 - b. Records demonstrating that the project undertaken meets one of the National Objectives of the CDBG program;
 - c. Records documenting compliance with the fair housing & equal

- d. opportunity components of the CDBG program.
 - d. Other records necessary to doc. compliance with Subpart D of 2 CFR Part 200.
- 2. LADA shall retain all records pertinent to expenditures incurred under this contract in compliance with the Retention Requirements for Records in accordance with Subpart D of 2 CFR Part 200.
- 3. LADA records with respect to any matters covered by this contract shall be made available to the City and to the U. S. Department of Housing & Urban Development (HUD). Any deficiencies noted in any local or Federal audit report must be fully cleared by LADA within thirty (30) days after receipt by the city. Failure to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments.

Reporting and Payment Procedures

- 1. Program Income
LADA agrees that this CDBG-funded project, as proposed, generates no program income, as defined in 2 CFR Part 200 (Section 200.307).
- 2. Reimbursement Payment Procedures
The City will reimburse LADA funds available under this contract based upon information submitted by LADA under the terms and conditions of this contract. At any point, LADA may submit a request for a reimbursable payment for eligible expenses actually incurred directly related to the project. The City will make its best efforts to process the reimbursement payment in a timely manner. Timeliness of reimbursement payment is also contingent upon the approved City of Royal Oak Accounts Payable Calendar.
- 3. Progress Reports
LADA will report to the City progress towards meeting goals, and achievements in providing program benefits in forms, content and frequency as required by the City.

Procurement

- 1. Compliance with Federal Procurement Requirements
LADA shall follow federal procurement rules when purchasing services, supplies, materials, or equipment. The applicable federal regulations are contained in 2 CFR Part 200 (200.317-326).

Non-Federal entities must maintain written standards of conduct covering conflicts of interest, including organizational conflicts of interest, and governing the performance of their employees engaged in the selection, award and administration of contracts. City staff will collect LADA's written standards.

Other program requirements

LADA shall carry out the project under this contract in compliance with all Federal laws and regulations in 24 CFR Part 570, Subpart K as applicable:

- (1) 570.600 General
- (2) 270.601, Public Law 88-352 and Public Law 90-284; affirmatively furthering fair housing; Executive Order 11063; 99
- (3) 570.602, Section 109 of the Act;
- (4) 570.603, Labor Standards;
- (5) 570.604, Environmental Standards;
- (6) 570.605, National Flood Insurance Program;
- (7) 570.606, Displacement, Relocation, Acquisition, and Replacement of Housing;
- (8) 570.607, Employment and Contracting Opportunities;
- (9) 570.608, Lead-Based Paint;
- (10) 570.609, Use of Debarred, Suspended or Ineligible Contractors or Subrecipients;
- (11) 570.610, Uniform Administrative Requirements and Cost Principles;
- (12) Conflict of Interest;
- (13) 570.612, Executive Order 12372; and
- (14) 570.613, Eligibility Restrictions for Certain Resident Aliens.

Section 4 – Personnel and Participant Conditions

Labor Laws, Employee Taxes, Withholding, Etc.

LADA and subcontractors must abide by federal, state and local regulations pertaining to equal employment, and shall obey and abide by all the laws of the State of Michigan relating to the employment of labor.

LADA agrees not to discriminate against any employee or applicant for employment, to be employed in the performance of this contract, with respect to hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of age or sex, except where based on a bona fide occupational qualification, or race, color, religion, national origin, familial status, marital status, disability, sexual orientation, or ancestry. LADA further agrees that every subcontractor entered into for the performance of this contract will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. Breach of this covenant may be regarded as a material breach of this contract.

LADA assumes full responsibility to account for all federal, state and local taxes and assessments for LADA in the performance of this contract, and for all withholdings required by applicable laws, rules or regulations. LADA is not entitled to unemployment compensation from the City, as LADA is an independent contractor and not an employee. LADA shall assume full responsibility for the contributions required under any applicable unemployment compensation or social security laws, rules or regulations. LADA is not entitled to worker's compensation coverage from the City, as LADA is an independent contractor and lacks the status of an employee.

Assignment or Subletting

In the execution of this contract, it may be necessary for LADA to sublet part of the work to others; however, LADA shall not award any work to any subcontractor without acknowledgement of the City, which approval shall not be given until LADA submits to the City a written statement concerning the proposed award to the subcontractor, which statement shall contain such information as the City may require.

LADA shall be fully responsible to the City for the acts and omissions of their subcontractors and of persons either directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him. Nothing contained in this contract shall create any contractual relation between any subcontractor and the City.

LADA shall not assign, transfer, convey, or otherwise dispose of this contract, of any part thereof, or his right, title, or interest in the same or any part thereof, without the previous consent in writing of the City. LADA shall not assign by power-of-attorney or otherwise any of the monies due or to become due and payable under this contract without the previous consent in writing of the City.

Access of Records

At the request the City, LADA shall provide the City a digital copy (pdf format) of all case notes, reports, or related materials resulting from the fair housing testing services to be performed under this contract.

Freedom of Information Act (FOIA)

LADA recognizes that it is performing work on behalf of a governmental entity. By law, records of a governmental entity must be released under the Michigan Freedom of Information Act (FOIA) unless specifically exempted. Therefore, records created by and/or for the City and its agents or assigns pursuant to this contract, including, but not limited to, any correspondence, analysis, reports and related materials prepared, constitute property of the City and may be subject to release to the public under FOIA. The City has adopted a FOIA policy which establishes a procedure for receipt and review of FOIA requests. The City must respond to requests for non-exempt public records within five days of receipt unless the City requests a ten-day extension. LADA shall assist in compliance with the City's procedure.

LADA agrees that all information kept as a result of this contract is a public record. In the event that the City receives a FOIA request for public records, LADA shall be required to disclose such information to the City for a determination, at the sole discretion of the City, as to whether or not that information is exempt from disclosure. The City agrees to give LADA a copy of the FOIA request upon receipt by the City. Unless LADA obtains an injunctive order from a court of competent jurisdiction within the time limits for response, the City shall release the non-exempt public records in accordance with a FOIA request.

Indemnification and Hold Harmless

LADA expressly agrees to indemnify and hold the City harmless against all losses and liabilities arising out of personal injury, bodily injury or property damages to the extent of any negligent act, grossly negligent act, error or omission of LADA or anyone acting on LADA's behalf, in connection with, or incidental to, the contract or work to be performed, except that LADA shall not be responsible to indemnify the City for any losses or damages to the extent that same are caused by or result from the gross negligence of the City or any other person or entity.

To the extent of the FHMCD's actual degree of fault, LADA's obligation to indemnify and hold the City harmless shall include:

The obligation to defend the City from any such suit, action or proceeding, and;

The obligation to pay any and all judgments which may be recovered in any such suit, action or proceeding and/or any reasonable expenses including, but not limited to costs,

attorney fees and settlement expenses which may be incurred, but only to the extent that such judgments and expenses are attributable to LADA's actual fault.

LADA agrees that it will not settle or resolve any claim or action against LADA based upon its acts which includes, or may include, a claim or count against the City or its employees without obtaining a full and complete release in favor of the City with respect to any and all claims or counts against the City except those based upon the gross negligence or willful or wanton misconduct of the City or its employees.

For the purpose of indemnity clauses in the contract, "City" shall mean City of Royal Oak, its elected and appointed officials, employees and volunteers working on behalf of the City; losses and liabilities shall mean loss, cost, expense, damage, liability or claims, whether groundless or not; personal injury shall mean false arrest, erroneous service of civil papers, false imprisonment, malicious prosecution, assault and battery, libel, slander, defamation of character, discrimination, mental anguish, wrongful entry or eviction, violation of property, or deprivation of any rights, privileges or immunities secured by the constitution and laws of the United States of America or the State of Michigan, for which LADA may be held liable to its injured party in an action-at-law or a suit in equity or other proceedings for redress; bodily injury shall mean bodily injury, sickness or disease and mental injury which may be sustained or claimed by any person or persons; and property damage shall mean the damage and destruction of any property including the loss of use thereof.

LADA and the City may agree to arbitrate any disputes with respect to the application of this indemnification clause.

Insurance Requirements

LADA shall not commence work under this contract until LADA has obtained the insurance required under this paragraph, and shall keep such insurance in force during the entire life of the contract. All coverages shall be with insurance companies licensed and admitted to do business in the State of Michigan. All coverages shall be with insurance carriers acceptable to the City. The requirements below should not be interpreted to limit the liability of LADA. All deductibles and SIRs are the responsibility of LADA.

Worker's Compensation Insurance

LADA shall procure and maintain during the life of this contract, Worker's Compensation Insurance, including Employer's Liability Coverage, in accordance with all applicable Statutes of the State of Michigan.

Commercial General Liability Insurance

LADA shall procure, and maintain in effect during the life of this contract, Commercial General Liability Insurance, on an "Occurrence Basis", with limits of liability not less than **\$300,000** per occurrence and aggregate. Coverages shall include, but not limited to, the following: (a) Contractual Liability; (b) Ongoing Operations; (c) Products and Complete Operations; (d) Independent Contractors Coverage; (e) Broad Form General Liability Extensions, or equivalent; (f) Explosion, Collapse and Underground, if applicable.

Automotive Liability

LADA shall procure and maintain during the life of this contract, Automotive Liability Insurance, including Michigan No-Fault Coverages, with limits of liability not less than **\$300,000** per occurrence combined single limit for Bodily Injury, and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles.

Commercial General Liability and Automobile Liability required liability limits may be obtained by using an Excess/Umbrella Liability policy in addition to the primary liability policy(ies). If coverage limits are satisfied by an Excess and/or Umbrella policy, coverage must follow form of the primary liability policy(ies), including but not limited to additional insured and primary/non-contributory coverage.

Additional Insured

Commercial General Liability Insurance and Automotive Liability Insurance, as described above, shall include an endorsement stating the following shall be **"Additional Insureds": The City of Royal Oak, Michigan, all elected and appointed officials, all employees and volunteers, all boards, commissions, and/or authorities and board members, including employees and volunteers thereof.**

Primary Coverage

Insurance as required herein shall be primary and non-contributory, and any other insurance the City of Royal Oak may have in effect shall be considered secondary and/or excess.

Cancellation Notice

Policy(ies), as described above, shall be endorsed to state the following:

"It is understood and agreed Thirty (30) days, Ten (10) days for non-payment of premium, Advance Written Notice of Cancellation or Non-Renewal shall be sent to the Certificate Holder: (City of Royal Oak, Attention: Director of Planning, 203 S Troy Street, Royal Oak Michigan 48067)".

Proof of Insurance Coverage

LADA shall provide the City at the time this contract is returned for execution a Certificate of Insurance as well as the required endorsements. In lieu of required endorsements, a copy of the policy sections, where coverage is provided for additional insured and cancellation notice, may be acceptable. Copies of all policies mentioned above shall be furnished, if so required.

If any of the above coverages expire during the term of this contract, LADA shall deliver renewal certificates, endorsements, and/or policies to the City of Royal Oak's Director of Planning at least ten (10) days prior to expiration date.

Civil Rights

1. Compliance

LADA agrees to comply with all local and state civil rights ordinances and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974, as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, Executive Order 11246 as amended by Executive Orders 11375 and 12086, and the City of Royal Oak's Human Right's Ordinance (Chapter 402).

2. Nondiscrimination

LADA will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or

other handicap, age, marital/familial status, or status with regard to public assistance. LADA will take affirmative action to insure that all employment practices are free from such discrimination.

3. LADA will not use Federal funding to promote diversity, equity, and inclusion (DEI) mandates, policies, programs, or activities that violate any applicable Federal anti-discrimination laws.

Affirmative Action

1. **Women, Minority-Owned and Section 3 Business Enterprises**
LADA will use its best efforts to afford minority, women-owned, and Section 3 business enterprises the maximum practicable opportunity, without violating provisions noted under Civil Rights, to participate in the performance of the project as needed.
2. **Access to Records**
LADA shall furnish the City all information and reports required to demonstrate compliance and will permit access to its books, records and accounts by the City, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with all applicable rules, regulations and provision.
3. **Equal Opportunity Employer Statement**
All solicitations or advertisements for contractors, as needed, to complete the project shall state that the "Equal Opportunity Employment applies".

Conduct

1. **Assignability**
LADA shall not assign this contract or any of the payments that become due without consent of the City.
2. **Subcontracts**
LADA shall not enter into any subcontracts with any agency or individual in the performance of the approved project without the written consent of the City to the execution of such an contract, as needed.
3. **Conflict of Interest**
Except for approved administrative and/or personnel costs, no person having responsibilities dealing with CDBG assisted activities may obtain a personal or financial interest or benefit from the project, or have an interest in any contract, subcontract or agreement, either for themselves or their family, during the tenure or for one year thereafter. The general procurement standards in 2 CFR Part 200.318 shall apply.
4. **Religious Organization**
LADA agrees that funds provided under this contract will not be utilized for religious activities, to promote religious interests, or for the benefit of a religious organization in accordance with the federal regulations specified in 24 CFR Part 570.200(j).

LADA hereby certifies that none of the beneficiaries of its activities or services are based upon any religious preference.

Lobbying

LADA certifies, to the best of its knowledge and belief, that:

No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

LADA shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, U.S. Code. Any person who fails to file the required certification shall be subject to penalty as authorized by Section 1352, Title 31, U.S. Code.

2 CFR Part 200, Subpart – Cost Principles, 200.450 Lobbying shall apply to this contract.

Contract Binding and in Full Force

This contract shall be binding upon the parties hereto and their respective heirs, successors, legal representatives and permitted assigns.

This contract represents the entire understanding and agreement between the parties with respect to the subject matter. In case any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, this invalidity, illegality, or unenforceability shall not affect the enforceability of any other provision of this contract. This contract shall be construed as if the invalid, illegal or enforceable provision had never been contained in it. The remainder of the contract shall remain in full force and effect.

No waiver, alteration, amendment, or modification or any provisions of this contract shall be binding unless in writing and signed by the parties hereto. The fact that one of the parties to this contract may be deemed to have drafted or structured any provision of this contract shall not be considered in construing or interpreting any particular provision of this contract, either in favor for or against such party.

Section 5 - Acceptance

The undersigned indicate by their signatures that they are authorized to act on behalf of their respective party in this capacity.

CITY OF ROYAL OAK:

By: Michael C. Fournier, Mayor

By: Melanie Halas, City Clerk

LEGAL AID AND DEFENDER ASSOCIATION, INC:



By: Michelle L. Johnson, President & CEO

Approved To Form:

Niccolas Grochowski, City Attorney

Insurance

CERTIFICATE OF WORKERS' COMPENSATION COVERAGE

THIS HEREBY CERTIFIES
THAT

Legal Aid and Defender Association
613 Abbott Street 6th Floor
Detroit, MI 48226
0019-HM031

is a participant in good standing with the **Human Service Association Workers' Compensation Fund**. Full statutory coverage for workers' disability compensation and employers' liability is guaranteed by the FUND for Michigan operations through authority granted by the State of Michigan under Chapter 6, Section 418.611, Paragraph (2) of the Workers' Disability Compensation Act of 1969, as amended (Act 317 of 1969, MCLA 418.101 et seq.). This certificate is evidence of coverage for **Fund Year 2025**, ending December 31, 2025, unless otherwise cancelled or terminated.

Effective Date: January 01, 2025
Expiration Date: December 31, 2025



Mary V. Penz
Group Fund Administrator

Coverage for Workers Disability Compensation and Employers Liability		
Carrier	Type of Policy	Limits
Human Service Association Workers' Compensation Self-Insured Fund	Workers' Compensation Coverage	Part A: Statutory Part B: \$1,000,000 Each Occurrence
Midwest Employers Casualty Company EWC 005397-25	Excess Workers' Compensation	Specific: STATUTORY (Employers Liability: \$1M) Aggregate Excess: \$5,000,000

GROUP FUND ADMINISTRATOR:

Mary V. Penz
17000 19 Mile Rd
Clinton Twp, MI 48038
Phone: (586) 416-8950 Fax: (586) 722-0506

CLAIMS:

Comprehensive Risk Services CRS
PO BOX 240
Williamston, MI 48734
Phone: (248) 344-8550 Fax: (248) 344-8560



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

06/09/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER RSC Insurance Brokerage, Inc. /Ralph C. Wilson Agy Box 5069 Southfield MI 48086-5069	CONTACT NAME: Shelby Luark PHONE (A/C, No, Ext): (248) 355-1414 E-MAIL ADDRESS: sluarck@risk-strategies.com FAX (A/C, No): (248) 304-0877
INSURED Legal Aid and Defender Association, Inc. 613 Abbott Street, Ste. 630 Detroit MI 48226	INSURER(S) AFFORDING COVERAGE INSURER A: Citizens Insurance Company of America INSURER B: Hanover Insurance Company INSURER C: INSURER D: INSURER E: INSURER F:
	NAIC # 22292

COVERAGES**CERTIFICATE NUMBER:** 24-25 GL-A-U-Cr-Cy**REVISION NUMBER:**


THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			Z7BD710725	09/29/2024	09/29/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ included
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			Z7BD710725	09/29/2024	09/29/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB DED <input checked="" type="checkbox"/> RETENTION \$ 0			UHBH933165	09/29/2024	09/29/2025	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/>	N/A				PER STATUTE E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B	Employee Dishonesty			BDHD222211	09/29/2024	09/29/2025	Limit \$750,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City of Royal Oak, Michigan, all elected and appointed officials, all employees and volunteers, all boards, commissions, and/or authorities and board members, including employees and volunteers thereof are added as Additional Insured (General Liability) with respect to work/services performed/products supplied by Named Insured as per written contract/agreement.

CERTIFICATE HOLDER**CANCELLATION**

City of Royal Oak Attn: Director of Planning 203 S Troy Street Royal Oak MI 48067	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
---	--

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AGENCY CUSTOMER ID: _____

LOC #: _____

ADDITIONAL REMARKS SCHEDULE

Page _____ of _____

AGENCY RSC Insurance Brokerage, Inc. /Ralph C. Wilson Agy		NAMED INSURED Legal Aid and Defender Association, Inc.
POLICY NUMBER		
CARRIER	NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 **FORM TITLE:** Certificate of Liability Insurance: Notes

Cyber policy: ACE American Ins Co, NAIC#22667. Limit \$5,000,000. Term: 9-29-2024 thru 9-29-2025.

Required Form

Single Audit form

Did LADA expend \$750,000 or more of Federal assistance received for its operations in the past fiscal year?

- ☒ YES (Please submit a copy, via e-mail to joem@romi.gov, of your most recent Single Audit & continue to question below)
- ☐ NO (Please submit completed form)

Have all findings and questioned costs been resolved?

- ☒ N/A (The Single Audit did not contain any findings)
- ☐ YES (Please submit a written description highlighting steps taken to resolve findings)
- ☐ NO (Please submit a written description with reasons why findings have yet to be resolved)

(2 CFR part 200, subpart F)

Legal Aid and Defender Association, Inc.
Michelle L. Johnson, President & CEO

Signature: 

Date: 6/17/2025

LEGAL AID AND DEFENDER ASSOCIATION, INC.

SINGLE AUDIT REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2024

LEGAL AID AND DEFENDER ASSOCIATION, INC.
SINGLE AUDIT REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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**GREGORY
TERRELL
& COMPANY**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Legal Aid and Defender Association, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Legal Aid and Defender Association, Inc. ("LADA"), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 30, 2025.

Report on Internal Control Over Financial Reporting

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

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

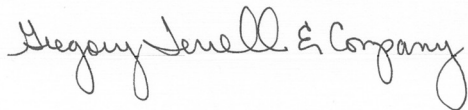
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Gregory Terrell & Company". The signature is written in dark ink on a light background.

GREGORY TERRELL AND COMPANY

Certified Public Accountants
Detroit, Michigan

May 30, 2025



**GREGORY
TERRELL
& COMPANY**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

To the Board of Directors of
Legal Aid and Defender Association, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Legal Aid and Defender Association, Inc.'s ("LADA") (a nonprofit organization), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of LADA's major federal programs for the year ended September 30, 2024. LADA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, LADA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of LADA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of LADA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to LADA's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on LADA's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about LADA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 LADA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of LADA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of LADA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

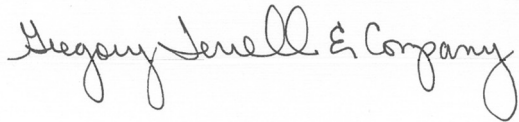
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of LADA as of and for the year ended September 30, 2024, and have issued our report thereon dated May 30, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



GREGORY TERRELL AND COMPANY

Certified Public Accountants
Detroit, Michigan

May 30, 2025

LEGAL AID AND DEFENDER ASSOCIATION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor Pass Through Grantor Program Title Grant Number	Grant Project Number	Federal ALN No.	Approved Grant Award Amount	Accrued or (Deferred) Revenue at 1-Oct-23	Federal Funded Payments Received	Curent Year Expenditures	Accrued or (Deferred) Revenue at 30-Sep-24	Total Provided To Subrecipients
Department of Housing and Urban Development								
Passed through the City of Detroit								
Emergency Solutions Grant 2023	E-22-MC-26-0006	14.231	\$ 145,387	\$ 13,064	\$ 21,893	\$ 8,829	\$ -	\$ -
Community Development Block Grant 2023	B-22-MC-26-0006	14.218	145,387	29,788	90,257	60,469	-	-
Passed through the City of Royal Oak								
Community Development Block Grant	CDBG	14.218	55,000	-	-	49,917	49,917	-
Total Department of Housing and Urban Development			\$ 345,774	\$ 42,852	\$ 112,150	\$ 119,215	\$ 49,917	\$ -
Department of the Treasury								
American Rescue Plan (ARPA)								
Passed through Oakland County								
Coronavirus Local Fiscal Recovery Fund	SLFRP2640	21.027	\$ 650,000	\$ 17,842	\$ 217,271	\$ 219,607	\$ 20,178	\$ -
American Rescue Plan (ARPA)								
Passed through City of Royal Oak		21.027	58,581	47,998	47,998	-	-	-
Coronavirus Local Fiscal Recovery Fund								
American Rescue Plan (ARPA)								
Passed through City of Detroit/United Comm. Housing Coalition		21.027	931,760	61,277	263,271	245,647	43,653	-
Coronavirus Local Fiscal Recovery Fund								
Total Department of Treasury			\$ 1,640,341	\$ 127,117	\$ 528,540	\$ 465,254	\$ 63,831	\$ -
Department of Justice Office on Violence Against Women	2017-WL-AX-0034	16.524	\$ 599,966	15,399	\$ 62,801	\$ 47,402	\$ -	\$ -
Department of Veterans Affairs	MI-203-LSV-308-22	64.056	\$ 149,982	\$ 6,053	\$ 135,891	\$ 129,838	\$ -	\$ -
Department of Veterans Affairs	MI-203-LSV-566-24	64.056	295,912	-	-	20,142	20,142	-
Total Department of Veterans Affairs			\$ 445,894	\$ 6,053	\$ 135,891	\$ 149,980	\$ 20,142	\$ -
Total Federal Awards			\$ 3,031,975	\$ 191,421	\$ 839,382	\$ 781,851	\$ 133,890	\$ -

The accompanying notes are an integral part of this schedule.

LEGAL AID AND DEFENDER ASSOCIATION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

(1) **GENERAL**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of federal financial award programs of Legal Aid and Defender Association, Inc. ("LADA"). Federal financial awards passed through other agencies are included on the SEFA. LADA had no subrecipients.

(2) **BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

(3) **TAX-EXEMPT STATUS**

LADA is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

(4) **MAJOR PROGRAMS**

The Major program was determined in accordance with Uniform Guidance.

(5) **INDIRECT COST**

The 10% de minimis indirect cost rate was not elected.

LEGAL AID AND DEFENDER ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? Yes X No

Significant deficiencies identified
not considered to be material weaknesses? Yes X No

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiencies identified
not considered to be material weakness(es)? Yes X No

Type of auditors' report issued on compliance for
major programs: Unmodified

Any audit findings disclosed that are required to be
reported in accordance with Uniform Guidance? Yes X No

Identification of major programs:

CFDA Number

Name of Federal Program

21.027

Coronavirus Local Fiscal Recovery Fund

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

Auditee qualified as low-risk auditee? X Yes No

LEGAL AID AND DEFENDER ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no financial statement findings for the year ended September 30, 2024.

SECTION III – FEDERAL AWARDS FINDINGS

There are no federal awards findings for the year ended September 30, 2024.

LEGAL AID AND DEFENDER ASSOCIATION, INC.
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2024

I. SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior year findings and questioned costs for the year ended September 30, 2023.

Required Form

Equal Employment Opportunity

Please provide a written description on LADA's actions undertaken to assure equal employment opportunity to all persons regardless of race, color, national origin, sex or disability status.

Feel free to include your program's policy statements, employment postings, etc.

LAD shall provide equal opportunity in all facets of employment, including recruitment, hiring, compensation, and advancement, without regard to race, color, religion, national origin, age, sex, pregnancy, childbirth or related conditions, protected disability, height, weight, marital status, familial status, sexual orientation, gender identity or expression, military service, or any other protected status or characteristic.

Legal Aid and Defender Association, Inc.
Michelle L. Johnson, President & CEO

Signature: 

Date: 6/17/2025

Required Form

Compliance with Federal Procurement Standards

2 CFR Part 200 (200.317- 326) requires that non-Federal entities maintain written standards of conduct covering conflicts of interest, including organizational conflicts of interest, and governing the performance of their employees engaged in the selection, award and administration of contracts.

Please provide a printed or electronic (pdf format) copy of your organization's standards.

Legal Aid and Defender Association, Inc.
Michelle L. Johnson, President & CEO

Signature: _____



Date: _____

6/17/2025

SECTION VI: PURCHASING

Contractual Services

All new agreements to contract for professional services must be approved by the LAD Board if the purchase exceeds \$10,000. Contracts for professional services must clearly define the services to be rendered. Approval is required even when the item is included in the current approved budget. The request for Board approval for the \$10,000 (+) expenditure must include a minimum of three bids including bids from minority vendors. All bids will be scanned into the DMS behind the contract for the approved vendor, which is retained for seven (7) years after the termination of the contract as outlined in the Record Retention section of this Manual.

Professional service agreements may be renewed without additional Board approval; however, the Board, or Executive Committee, must be notified of LAD's intent to renew the contract (notification must include the amount and length of contract).

The CFO is responsible for tracking expenses for all professional service contracts. If it becomes apparent that expenses will exceed the contract amount, the CFO must notify the CEO immediately. The CEO will identify a plan to either reduce costs or amend the current contract. Board approval is required for any material amendment changes to a contract, including, but not limited to, increasing the contract amount.

Copies of all contractual agreements will be maintained in the CFO's office for the duration of the contract and will be retained for a period of 7 years (29 CFR §1627.3).

Work for Hire Agreements are approved by the CEO.

Finance is responsible for preparing Form 1099 for all individuals who were contractual workers as defined by the IRS, during the calendar year. The minimum amount required for a contractual worker to receive a Form 1099 is \$600 per year. All 1099 forms must be completed and mailed out by January 31st.

Equipment / Furniture Leases

All proposed equipment and/or rentals or agreements must be approved by the Executive Committee and the Board of Directors, which will:

- a) Obligate LAD for six (6) or more months; and/or
- b) Represent a major change in the type of equipment or type of service that is contracted; and/or
- c) Represent "up-front" costs in addition to operating costs.

Consideration of such contracts must include any service agreements involved. The renewal of service contracts previously approved, may be continued without additional Executive Committee and Board approval.

Lease Agreements

Proposed real estate lease agreements must first be approved for legal sufficiency by a lawyer knowledgeable in real estate law. Thereafter, each lease must be approved by the Executive Committee and the Board. Renewal of lease agreements previously approved may be continued without additional Executive Committee and Board approval.

According to FASB 13 regarding new leases for space, the lease payments must be annualized over the period of the lease. (both income and expenses – prepaid/rent). For example, a rental for a 5 year period of \$1,000 \$1,050 \$1,100 \$1,150 and \$1,200 the amount to annualize each year is 1,100 (average).

Inventory

All new purchases for inventory items costing \$2,500 or more must be approved prior to purchase by the CEO.

Purchases for I/T items should be purchased through LAD's I/T contractor, as the contractor is responsible for I/T systems. Purchases for non-I/T items, can be made by each law group. To keep I/T items (i.e., computers, servers) compatible, vendors may be restricted to a single vendor.

A "Purchase Authorization" form must be used to complete all purchases. All bids for items costing more than \$10,000 must be attached to the form and will be filed with the payment to the vendor selected for purchase. For I/T purchases, upon completion/approval of the "Purchase Authorization" form, the form will be forwarded to I/T for purchase. I/T will be responsible for approving the invoice, forwarding the invoice and the "Purchase Authorization" form to Finance for payment.

LAD will maintain its inventory using the perpetual inventory method. Inventory will be valued at cost to ensure accuracy of recorded amounts. The perpetual inventory will be confirmed by a periodic physical inventory. When a physical inventory is completed, any adjustments for discrepancies in the physical count and/or inventory value will be made in the inventory records.

All items purchased will be inventoried with a LAD identification tag and recorded in the inventory log. Documentation of the item will include the date purchased, whether to capitalize, tag number, description, location, serial number; check number, funding source, and amount.

The acquisition cost of equipment is the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for its intended purpose. Other charges, such as the cost of installation, transportation, protective in-transit insurance, shall be included or excluded from the cost on a case by case basis as determined by the CFO.

A copy of the check, invoice, and backup documentation for all inventory purchased will be retained with the records for the fiscal year in which the purchase was made.

Conflict of Interest-Procurement

No employee, officer, or agent of LAD, its affiliates or subsidiaries (collectively referred to herein as LAD), may participate in the selection, award, or administration of a contract supported by a federal award, or the procurement of goods and services relative to that award, if s/he has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a person or firm considered for a contract. LAD's officers, employees, and agents may neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontracts.

However, there is a presumption that no conflict of interest is implicated where the financial interest is not substantial, or the gift is an unsolicited item of nominal value. A financial interest is not considered substantial where its value is Fifteen (\$15.00) Dollars or less. An unsolicited item is considered of nominal value where its value is Five (\$5.00) Dollars or less.

Under no circumstances may an employee, officer or agent of LAD accept a monetary gift or gift equivalent (i.e. gift certificate, gift card, cash, check, account credit, etc.) from contractors or parties to subcontracts.

This policy does not prohibit fundraising activities by LAD.

Failure to adhere to this policy may result in discipline, up to and including termination of employment.

Required Form

Federal Funding Accountability and Transparency Act (FFATA)

This contract exceeds FFATA's \$30,000 threshold. Therefore, the City of Royal Oak is required to collect and report applicable FFATA data to the federal government.

Question #1

>80% of LADA's annual gross revenue is from the federal government?

- ☐ NO (form is now complete. sign and date at the bottom)
- ☒ YES (continue to next question)

Question #2

Respond only if you answered YES to Question #1.

Are those revenues are >\$25 million?

- ☒ NO (form is now complete. sign and date at the bottom)
- ☐ YES (continue to next question)

Question #3

Respond only if you answered YES to Question #2.

Are the names of the top 5 executives & their total compensation already available to the public through reporting to the SEC?

- ☐ NO (submit list of top 5 executive names & total compensation each)
- ☐ YES (form is now complete)

Legal Aid and Defender Association, Inc.
Michelle L. Johnson, President & CEO

Signature: 

Date: 6/17/2025

Accounts Payable Calendar

2025 ACCOUNTS PAYABLE CALENDAR			
	FINANCE		CHECKS
	CUT-OFF		ISSUED
	(TUES NOON)		(TUESDAY)
NOTE: Some cut-off dates have been changed due to the Holidays			
Friday	12/27/24		01/07/25
	01/14/25		01/21/25
	01/28/25		02/04/25
	02/11/25		02/18/25
	02/25/25		03/04/25
	03/11/25		03/18/25
	03/25/25		04/01/25
	04/08/25		04/15/25
	04/22/25		04/29/25
	05/06/25		05/13/25
	05/20/25		05/27/25
	06/03/25		06/10/25
Monday	06/16/25		06/24/25
	07/01/25		07/08/25
	07/15/25		07/22/25
	07/29/25		08/05/25
	08/12/25		08/19/25
	08/26/25		09/02/25
	09/09/25		09/16/25
	09/23/25		09/30/25
	10/07/25		10/14/25
	10/21/25		10/28/25
	11/04/25		11/11/25
	11/18/25		11/25/25
	12/02/25		12/09/25
	12/16/25		12/23/25
Friday	12/26/25		01/06/26

Hold Harmless Agreement

"To the fullest extent permitted by law, Legal Aid and Defender Association, Inc., Of Detroit, Michigan, agrees to defend, pay in behalf of, indemnify, and hold harmless the City of Royal Oak, its elected and appointed officials, employees and volunteers and others working for or in behalf of the City of Royal Oak, against any and all claims, demands, suits, or loss, including all costs connected therewith, and for any damages which may be asserted, claimed or recovered against or from the City of Royal Oak, its elected and appointed officials, employees, volunteers or others working in behalf of the City of Royal Oak, by reason of personal injury, including bodily injury and death; and/or property damage, including loss of use thereof, which arise out of or is in any way connected or associated with this Contract."

Legal Aid and Defender Association, Inc.
Michelle L. Johnson, President & CEO

Signature: 

Date: 6/17/2025